

Examining the factors influencing platform economy development

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ABSTRACT

This study examines the factors that influence platform economy development. A quantitative study was employed to assess the relationship between study constructs. Data were collected from 266 platform workers in Saudi Arabia. Structural equation modeling was used to perform statistical analysis to examine the relationships between study constructs. The results reveal that digital infrastructure, economic conditions, regulatory environment, digital skills, and platform service quality have a significant influence on platform economy development. Most importantly, digital skills play a major role to engage more workers on digital platforms to render services and earn more. Nonetheless, digital infrastructure and the regulatory environment also support building the confidence of workers while working on these platforms. Thus, the influencing factors explain 85 percent of the variance in platform development economy, which is above the satisfactory level. This indicates that a better infrastructure and skill set of workers play a major in contributing towards the platform economy. Thus, it is important for regulators to design better policies for platform operators and to open avenues for agencies that could play a major role in digital economic growth.

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1. Introduction

The fast growth of digital technology has emerged as a force that has transformed economic activities globally. It gives an edge to the platform economy and provides new directions to the contemporary labor market (Kenney et al., 2021). Platform-based work gives flexible work opportunities to workers through which they can offer remote services and earn more than traditional employment (Xue et al., 2020). Platform work is more demanding in terms of the required skill set and professionalism. Platforms operate through algorithms, where they connect the right talent with clients by offering unique advantages to each other (Acs et al., 2021). Service consumers take advantage of the opportunity to hire an individual beyond boundaries to fulfill their tasks as per their own requirements. In the present era, the platform economy has developed its systems with the support of high penetration of the internet, the proliferation of smartphones, and innovative flexible platforms to bring consumers and service providers to a single platform (Kenney & Zysman, 2020). Hence, this brings the attention to scholars to understand the dynamics and influencing factors that support or impede the platform economy development, by covering quality of services, human resources and technology readiness.

Considering the context of Saudi Arabia, the development of the platform economy plays a vital role for strategic economic transformation. As this brings more economic opportunities for individuals and the country. In line with Vision 2030, the economic transformation plan aims to diversify the economy via digital channels and to bring more employment opportunities (Rezk, 2025). Thus, the platform-based work gives flexible options to young individuals and underrepresented groups of skilled workers to enter the dynamic market. As the demand for digital services has increased and offers options for workers to render services in the domain of e-commerce and leads towards entrepreneurial setups (Кан & Баєл, 2024). Hence, the platforms provide new avenues for learning and skill enhancement. Most importantly, such benefits could be availed when

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platforms offer better infrastructure, online connectivity, and fast transactions for service delivery and uninterrupted payment (Masta & Kaushiva, 2024). Thus, the digital capability of workers comprises managing applications, payment withdrawal options, security, and protection of rights (Chalaby, 2024). Altogether, it ensures the effectiveness, work engagement, and sustainability in platform work.

Economic circumstances play an important role in engaging more workers in the platform economy (Schor et al., 2020). A worker who thinks about platform-based work tends to earn more as compared to traditional work, as they can get more opportunities when rendering services globally. A greater size of the online labor market pushes them to work on digital platforms. In some economies where there is a shortage of employment, it urges workers to move towards digital platforms. Hence, it provides an opportunity to gain financial benefits as a primary income source. Furthermore, a clear regulatory environment strongly supports to have better economy platform. It helps to protect the rights of workers, provide options for dispute resolution, and reduce uncertainty (Khan et al., 2023). In case such a regulatory structure is lacking, it leads to higher operational risks.

Service quality has a significant role in achieving better development in the platform economy. When a platform has a better algorithm, rating system, and on-time payment to service providers, it helps workers to get more engaged in their work (Stark & Pais, 2021). It indicates that the platform is more reliable and attracts more workers to create profiles on platforms and render services (Acs, 2023). Most of the platforms offer diverse skill sets, where most buyers can get better service delivery and expand the scope of work (Firat et al., 2024). It gives a holistic work approach to gather the factors that drive growth for service providers, platforms, and buyers.

Keeping in view the facts, platform-based work has experienced significant growth in Saudi Arabia, but the factors that influence most in platform economy development remain limited. Other studies focus on context specific factors such as inclusivity and participant engagement and give insufficient guidance for stakeholders. This study takes advantage of investigating the factors that influence platform economy development in Saudi Arabia. This study provides actionable thoughts for regulators and platform operators to focus on a sustainable market.

2. Literature Review and Hypotheses Development

2.1 Platform Economy in Saudi Arabia

The platform economy has noticed significant growth in Saudi Arabia in the last few years due to an increase in digitalization and greater emphasis on Vision 2030 to have economic transformation, especially in the healthcare sector (Alanzi, 2021; Reem, 2022). The digital transformation has gained significant advantages to diversify the work approaches and open more doors to engage young adults in diverse work approaches (Lage et al., 2022). Platform-based work gives an edge to multiple sectors such as food delivery, e-commerce, consulting, and freelance services (Wu et al., 2025). These platforms give flexible work options and encourage individuals to participate in modern forms of work instead of focusing on traditional employment options.

There are some urban areas such as Jeddah, Dammam and Riyadh that play a significant role in the platform economy as those areas are highly populated and have easy access to digital services. In these areas, workers can take advantage of the platform economy to offer part time or full-time services via platforms (Xing & Sharif, 2025). Women took more advantage while doing work from home and generated an additional source of income. Most importantly, the online systems for payment withdrawal and transactions bring flexibility to work, and most individuals are attracted towards it (Asfahani et al., 2023). Digital infrastructure in urban territories has become a vital component for enhancing the growth of these platforms. The availability of the high-speed internet has encouraged many platform workers to render services effectively. Most individuals are using smart devices, which enable them to have easy access to online platforms. Technological advancements have increased the participation, along with enhancing trust and scalability of platform services.

The economic factors play a major in the increase of platform work. The flexibility of work on the digital platforms gives an advantage to workers to have flexible work hours considering their personal needs. Platform-based work gives multiple options to earn as depends on active engagement (Hossain et al., 2024). A worker can choose platform work as a temporary job, part-time or full-time subject to their own preferences. Considering the circumstances, platform-based work becomes the priority for young workers who have a passion to grow and wish to enter in the global market. The platform economy opens new avenues for making money online and contributes to the economy (Dunn et al., 2023). Regulatory bodies have paid worthy attention to develop the systems for the platform economy in the country and design supportive policies to protect labor rights, licensing, and taxation. Most importantly, dispute resolution has enhanced the confidence of workers in order to feel protected while working on digital platforms. Hence, a framework and work structure help to build the trust of workers and platform operators. This could reduce unintended risks and support the sustainability of platforms in the country. Another important aspect is service quality, where Saudi platforms have paid worthy attention to timely withdrawal, responsive support, and rating for workers and buyers. Hence, such initiatives help to strengthen the overall ecosystem of the platform economy.

2.2 Digital Infrastructure and Platform Economy Development

Digital infrastructure is essential for the development of the platform economy, as this comprises digital setups (Fu et al., 2021). Without digital facilities such as the internet or smart devices, workers will not be able to perform their tasks. Such technologies are required because platform-based work highly depends on an organized digital system that enables support for workers, platform operators, and clients (Acs, 2023). In case such technology infrastructure is not efficient enough to perform, then the whole system for platforms will collapse and no one will benefit. Somehow, it poses limitations to perform tasks and depicts less engagement in work. When digital infrastructure performs better and smoothly for each individual, then it leads on-time delivery and ensures task accomplishment on time (Szerb et al., 2022). A disruptive platform system could lead to missed opportunities and lower worker satisfaction.

Keeping in view platform economy growth, digital infrastructure supports platform workers and provides an opportunity to expand their work in the digital world (Hesmondhalgh et al., 2023). An organized and well-organized system helps to reach more users, facilitate business transactions, and increase service responsiveness. Additionally, digital infrastructure urges to provide innovative solutions while working online such as performance tracking, deliverance of quality work, time tracking, and task allocation to team members (Bonina et al., 2021). Keeping in view of regions, advanced digital infrastructure depicts higher adoption rate and active engagement. Furthermore, it could support sustainable economic activity and lead toward digital economic transformation. Based on that, the following hypothesis is proposed.

H₁: *Digital infrastructure influences on platform economy development.*

2.3 Digital Skills and Platform Economy Development

In line with technological infrastructure, another aspect related to the digital skills of humans is compulsory use the digital platforms (Milkaya & Seeleva, 2019). An individual should possess sufficient skills and capabilities to use all the tools in order to perform well on digital platforms. Digital skills relate to the knowledge and ability to use platform applications, receive and send payments, manage dispute resolution, account security, and track performance online (Fiers, 2024). A worker should depict enough skills and competencies to complete the task effectively, immediate response to client queries, and utilize all the features to render services and increase income.

Digital skills can be obtained over time and showcase a higher level of workers' confidence. An individual who has a higher level of understanding in using digital tools is less likely to face difficulties in order to perform their duties (Balakrishnan, 2022). The higher the level of skills, the higher the job satisfaction of the worker. In resultant, digital skills increase worker reliability, which supports better client ratings, repeat orders, and increase platform credibility (Liu & Ge, 2025). Moreover, digital skills urge workers to test modern tools and techniques to perform tasks assigned by clients (Verma & Yadav, 2025). Furthermore, it shows the workers' understanding of platform algorithms and their quick response to changes whenever they occur on the platform. The approach of adaptability to changes on platforms is essential, as technological changes occur and/or fundamental work requirements change over time. Considering the important role of human capital in the platform economy, the following hypothesis is proposed.

H₂: *Digital skills influence platform economy development.*

2.4 Economic Conditions and Platform Economy Development

Economic conditions are essential for workers and platform operations to work in a country and promote the business in the domain of the platform economy (Allon et al., 2023). It shows contextual factors that help workers to pay more attention to the platform economy. Individuals could engage in platform-based work motivated by desirable earning opportunities. In areas where employment options are limited, this urges skilled workers to render services on digital platforms (Pichault & McKeown, 2019). Another aspect is that youth unemployment becomes a major reason for workers to cash their skills and time on digital platforms.

Workers depend on online earnings in order to cover their expenses and manage their financial needs (Malik et al., 2021). Platform-based work gives flexibility and allows adjustment of personal time for work. Workers can deal easily with work pressure by taking assignments based on their availability. Comparatively, traditional employment gives less flexibility and fewer options to choose work schedules. Hence, platform work flexibility gives an advantage to workers and improves performance (Dunn et al., 2023). It leads towards better economic development via digital platforms. Moreover, economic benefits for workers in terms of higher earnings, access to new tasks, and less transaction costs motivate them to stay engaged in the platform economy. The flexible work dynamics bring positive results in achieving a sustainable platform economy. Keeping in view the facts, the following hypothesis is proposed.

H₃: *Economic conditions influence platform economy development.*

2.5 Regulatory Environment and Platform Economy Development

The regulatory environment supports the platform economy smoothly. It provides rules, principles, and operational security to workers and platform operators (Busch, 2020). When regulators provide a flexible work environment that comprises clear regulatory guidelines, it reduces risk, protects workers, transparent environment, and executes successful business transactions. On the other hand, when the regulatory environment is not a best fit for the platform economy, it reduces business opportunities for workers and platform operators (You, 2020). Moreover, it decreases the trust level of investors and stops market growth.

When the regulatory framework is in action, it helps to overcome the disputes while working on platforms. It also supports in a way to protect data and the reliability of payment receipts (Zhan et al., 2025). A better regulatory environment enhances the confidence of workers and investors to stay connected via digital platforms. It enhances the confidence and trust between participants and operators to keep running the operations smoothly. Furthermore, the regulatory environment motivates individuals to ensure compliance and promote sustainable economic growth (Huang, 2022). Hence, government intervention to regulate the platform economy system brings benefits for workers and platform operators, as they can perform better under a secure environment. Based on that, the following hypothesis is proposed.

H4: Regulatory environment influences platform economy development.

2.6 Platform Service Quality and Platform Economy Development

Platform service quality relates to the functionality and responsiveness of the platform itself. A reputed and well-organized system assigns tasks smoothly, provides quick response to payments, ensures information clarity in utilizing the system, and maintains a transparent system for both workers and clients (Akhmedova et al., 2021). The service quality of the platform plays a vital role to retain workers on the platforms (Cristobal-Fransi et al., 2019). It also builds the trust level of clients and keeps them engaged in repeat orders with workers.

Platform economies come up with a high level of service delivery that brings positive feedback from stakeholders (Cheng, 2020). It leads to a higher satisfaction level of clients, where they can find competent workers for their task. At a greater level, it will increase the market reputation of the platform and support business expansion. On the other hand, when platforms offer poor-quality services and are less likely to support the workers’ rights and clients’ rights, it leads to a decline of businesses on the platform (Akhmedova et al., 2020). Thus, the platform service quality is a vital component in order to ensure the smooth operations of digital platforms, where workers and clients are trusting and satisfied. Keeping in view the facts, the following hypothesis is proposed.

H5: Platform service quality influences on platform economy development.

Fig. 1 presents a research model.

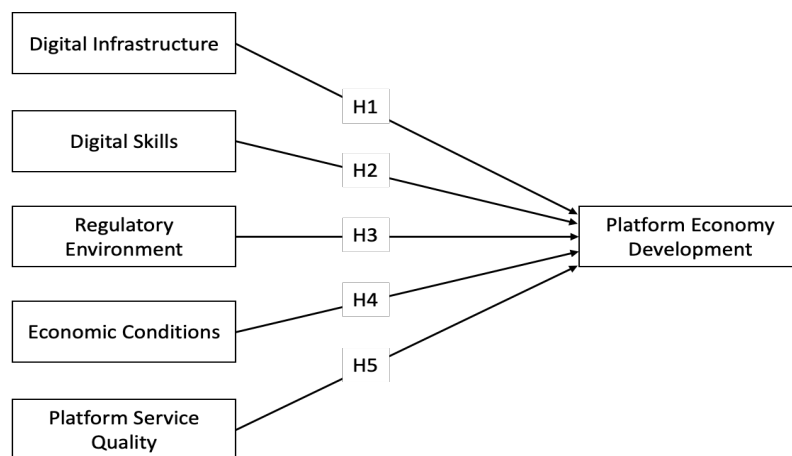


Fig. 1. Research model.

3. Methodology

This study used a quantitative research design to measure the influence of factors on the platform economy development in Saudi Arabia. This approach provides robust results with statistical analysis to examine the relationship between the study constructs. The study target population comprises workers who are engaged in platform economy work within Saudi Arabia. Data were collected in November 2025.

A structured questionnaire was used to gather responses from platform economy workers via Google Forms. All the responses were recorded on a 5-point Likert scale that helped participants to record their responses at the level of agreement from 1 (disagree) to 5 (agree). Items for each construct were designed based on a comprehensive literature review within a view to content validity. Moreover, a pilot study was planned and executed with 31 participants to ensure valid and reliable items for each construct. Minor changes occurred in the questionnaire after the pilot study subject to ensure the best suitability of the questionnaire for the study setting. In order to ensure the accuracy of responses, the questionnaire was circulated in the native Arabic language. A back-translation from English to Arabic and back to English was performed by a native English speaker in order to ensure the accuracy of the translated version of the questionnaire. It ensures the semantic balance of items between the English and Arabic versions. Items for each construct are mentioned in Table 2.

Structural equation modeling was used to perform the analysis and measure the influence of independent factors on the dependent variable. The measurement model assessment checked for reliability and validity. The structural model assessment was performed to check the relationships between constructs.

4. Results

Table 1 depicts the participant profile (n=266) based on the gender, age, education, and experience. Most of the participants are male, comprising 61% as compared to females (39%). Regarding the age group, the largest portion belongs to the 35–44 years (37%) followed by the 25–34 years (35%). It depicts that platform economy workers belong to mid-career stages instead of new entrants. In terms of experience, 33% of workers showed 4–6 years of experience, followed by 29% with 1–3 years in platform economy work. It relates to the sustainable engagement of professionals in platform-based work rather than early entrants. Regarding education, most of the participants earned a bachelor's degree (42%), followed by diploma or technical certificate holders (22%). Hence, it indicates that platform workers possess the skills to render services on digital platforms.

Table 1
Participants profile (n=266)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	163	61%
	Female	103	39%
Age (Years)	18–24	34	13%
	25–34	92	35%
	35–44	98	37%
	45–54	42	16%
Experience in Platform Economy	Less than 1 year	28	11%
	1–3 years	76	29%
	4–6 years	89	33%
	7–10 years	51	19%
	More than 10 years	22	8%
Education	Secondary or below	31	12%
	Diploma / Technical Certificate	58	22%
	Bachelor's degree	113	42%
	Master's degree	52	20%
	Doctorate	12	5%

Table 2 depicts the assessment of the measurement model by indicating the validity and reliability of items and constructs. For digital infrastructure, item loadings ranged between 0.726 and 0.841, which is within the acceptable threshold of 0.7. Cronbach's alpha (0.852) and composite reliability (0.794) show internal consistency. Average variance extracted (AVE) depicts convergent validity of value 0.629, which is above the criterion of 0.50. For digital skills, all the item loadings above the acceptable threshold of 0.7. Cronbach's alpha (0.893) and composite reliability (0.819) show internal consistency. AVE shows convergent validity of value 0.653, which is above the criterion of 0.50. For economic conditions, all the item loadings above the acceptable threshold of 0.7. Cronbach's alpha (0.875) and composite reliability (0.809) show internal consistency. AVE value 0.668, which is above the criterion of 0.50. For platform economy development, item loadings ranged between 0.747 and 0.833, which is within the acceptable threshold of 0.7. Internal consistency is achieved with Cronbach's alpha (0.868) and composite reliability (0.901). Convergent validity is achieved with an AVE value 0.605, which is above the criterion of 0.50. For platform service quality, item loadings ranged between 0.801 and 0.886, which is within the acceptable threshold of 0.7. Internal consistency is achieved with Cronbach's alpha (0.804) and composite reliability (0.873). Convergent validity is achieved with an AVE value 0.609, which is above the criterion of 0.50. For the regulatory environment, item loadings ranged between 0.766 and 0.803, which is within the acceptable threshold of 0.7. Internal consistency is achieved with Cronbach's alpha (0.830) and composite reliability (0.880). Convergent validity is achieved with an AVE value 0.596, which is above the criterion of 0.50.

Table 3 shows the assessment of discriminant validity via Fornell–Larcker criterion. It is established when the diagonal values are above the correlations of other study constructs. Hence, it is confirmed in this study.

Table 2
Measurement model

Items with constructs	Loadings	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Digital Infrastructure		0.852	0.794	0.629
DII: I have easy access to the internet via mobile during work hours.	0.841			
DI2: I see good internet speed for using platform apps.	0.823			
DI3: I can easily make payment transactions online without facing technical issues.	0.81			
DI4: Poor internet connection stops me from completing or accepting new jobs.	0.726			
DI5: I have smart devices like a phone that help me use platform apps.	0.759			
Digital Skills		0.893	0.819	0.653
DS1: I am confident when using the features of the platform app.	0.755			
DS2: I can easily handle technical issues with the app by myself.	0.849			
DS3: It is easy for me to make payments and verify them.	0.821			
DS4: I understand how to keep my account secure.	0.79			
DS5: I can use tools on the platform app to check my tasks and related earnings.	0.86			
Economic Conditions		0.875	0.809	0.668
EC1: I depend on earning from platforms to cover my household expenses.	0.846			
EC2: I notice that the fees and commissions of platforms significantly affect my earnings.	0.819			
EC3: I enjoy more flexible income from platforms than from my other traditional jobs.	0.761			
EC4: Economic uncertainty has pushed me to work on platforms.	0.845			
EC5: I can make enough money from platforms to cover my basic expenses.	0.814			
Platform Economy Development		0.868	0.901	0.605
PED1: Platform-based jobs have increased in my area over the past year.	0.786			
PED2: Platform-based work has increased job opportunities for many people like me.	0.83			
PED3: It is easy for me to find new customers or work on platforms.	0.833			
PED4: I noticed that platform-based work gives more reliable income options.	0.766			
PED5: I see platform-based services have increased access to earning opportunities in my region.	0.747			
PED6: I prefer more organized platform-based work rather than informal work.	0.794			
Platform Service Quality		0.804	0.873	0.609
PSQ1: Most of the platforms give proper information and training for new entrants.	0.883			
PSQ2: I receive payments on time and sometimes a bonus amount for work.	0.856			
PSQ3: My work quality is reflected through the rating system on platforms.	0.841			
PSQ4: I noticed that algorithms set by platforms assign work on a fair basis.	0.886			
PSQ5: I have easy access to support from the platform whenever it is needed.	0.801			
Regulatory Environment		0.83	0.88	0.596
RE1: The country's regulations are easy and flexible to work on a platform.	0.766			
RE2: Platform workers' rights are protected in my region.	0.795			
RE3: I understand how to get help whenever I face a work-related dispute on a platform.	0.803			
RE4: Government departments give support and guidance for platform workers.	0.798			
RE5: Extra rules and regulations create barriers to perform my task on platforms.	0.793			

Table 3
Discriminant Validity (Fornell-Larcker criterion)

	Digital Infrastructure	Digital Skills	Economic Conditions	Platform Economy Development	Platform Service Quality	Regulatory Environment
Digital Infrastructure	0.873					
Digital Skills	0.749	0.808				
Economic Conditions	0.623	0.635	0.817			
Platform Economy Development	0.727	0.644	0.663	0.878		
Platform Service Quality	0.718	0.737	0.725	0.697	0.878	
Regulatory Environment	0.764	0.619	0.771	0.771	0.666	0.821

Table 4 shows the path coefficient results of the structural model with beta, standard deviation, t-values, p-values and results of hypothetical relationships. Digital infrastructure has a significant and positive influence on platform economy development ($\beta = 0.529$, $t = 10.353$, $p < 0.001$), supporting H1. Digital skills have a significant and positive influence on platform economy development ($\beta = 0.695$, $t = 14.592$, $p < 0.001$), supporting H2. Regulatory environment has a significant and positive influence on platform economy development ($\beta = 0.415$, $t = 11.436$, $p < 0.001$), supporting H3. Economic conditions have a significant and positive influence on platform economy development ($\beta = 0.527$, $t = 7.206$, $p < 0.001$), supporting H4. Platform service quality has a significant and positive influence on platform economy development ($\beta = 0.501$, $t = 6.389$, $p < 0.001$), supporting H5. It is confirmed that better internet connectivity and easy access to digital resources play an important role for platform workers to render services more diligently. Hence, when workers have better digital infrastructure, it leads to better job opportunities, completing tasks on time, and ensures their active engagement with platform-based work.

Fig. 2 shows the coefficient of determination with an R-square value 0.846, which indicates that 84.6% of the variance in platform economy development is explained by the combined effect of digital infrastructure, digital skills, regulatory environment, economic conditions, and platform service quality.

Table 4
Path Coefficients

Paths	Beta	Standard deviation	T statistics	P values	Results
Digital Infrastructure → Platform Economy Development	0.529	0.095	10.353	0.00	H1 supported
Digital Skills → Platform Economy Development	0.695	0.161	14.592	0.00	H2 supported
Regulatory Environment → Platform Economy Development	0.415	0.149	11.436	0.00	H3 supported
Economic Conditions → Platform Economy Development	0.527	0.133	7.206	0.00	H4 supported
Platform Service Quality → Platform Economy Development	0.501	0.148	6.389	0.00	H5 supported

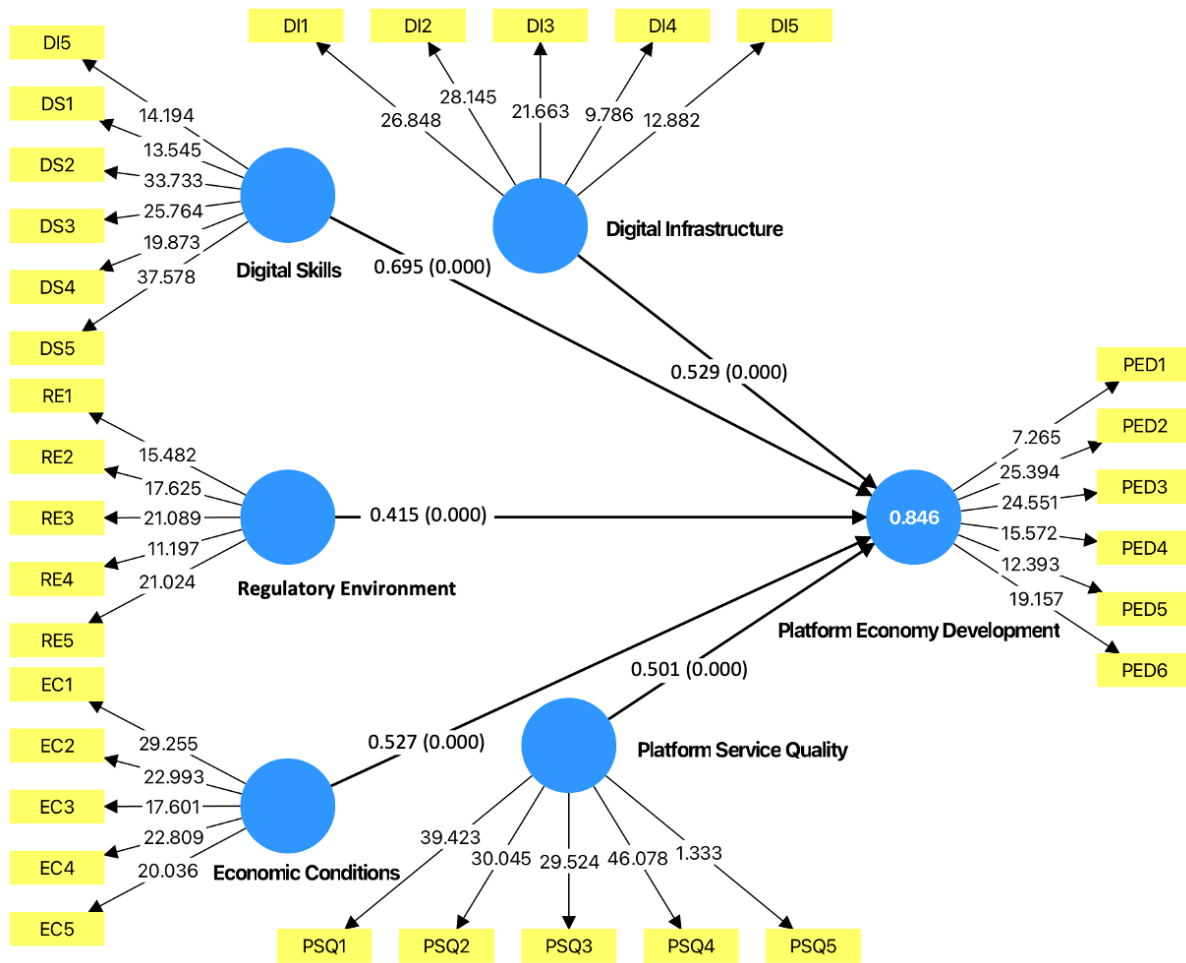


Fig. 2. Structural model

5. Discussion

The study findings indicate empirical support for the significant influence of factors such as digital infrastructure, digital skills, regulatory environment, economic conditions, and platform service quality on platform economy development. Most importantly, digital skills showed a stronger influence on platform economy development. Hence, a skilled workforce plays an important role in the modern labor market. Another important aspect is the role of technology and digital systems, which enable stakeholders to execute their tasks easily (Balakrishnan, 2022). Digital skills provide extensive support to workers in order to handle the payments, operations, and account protection (Milskaya & Seeleva, 2019). In case the internet connectivity is problematic, platform workers face difficulties in taking on jobs, communicating with clients, and timely completion of tasks (Verma & Yadav, 2025). Hence, digital infrastructure supports the focus on investment to ensure mobile network availability in regions where digital support is limited (Szerb et al., 2022).

Furthermore, economic conditions appeared to be another significant driver of platform economy development. It gives the notion that platform work supports better income with a flexible work schedule (Dunn et al., 2023). Moreover, it helps platform workers cover their expenses while working on digital platforms. The regulatory environment provides extensive

support for the sustainable growth of the platform economy (Busch, 2020). When regulatory bodies provide clear regulations, it reduces uncertainty and overcomes the associated risks related to platform-based work.

Additionally, platform service quality showed a positive influence on platform economy development (Akhmedova et al., 2020). Hence, a quality interface and better algorithms of digital platforms build trust and confidence of the workers to stay engaged and keep using the platform in the long-term (Stark & Pais, 2021). The willingness of workers depends on the quality of the platform. Platform workers will show a better level of engagement when the system provides support to run smooth operations. Keeping in view, the quality of services on digital platforms is significantly based on quality infrastructure and platform governance.

The study provides several implications in the context of Saudi Arabia in line with the strategic Vision 2030. Most importantly it is connected with economic transformation via digital platforms. It is vital to offer better service quality on digital platforms to ensure smooth operations. It is important to invest in high-speed internet, and it should be affordable for the platform workers. It is necessary to provide internet access in remote areas, which will help reach platform workers in far-flung areas. Moreover, when platform workers have easy access to smartphones and digital devices, it leads to a positive response from digital workers. Moreover, it is important to organize skill-based training sessions across the country to equip more individuals with modern skills, so they can render services on digital platforms. Government institutions can launch vocational and technical training programs by providing basic skills training for women and youth to learn how to deliver tasks online. The platform work can open new avenues for women and youth to earn with flexible schedules. Additionally, it will reduce the unemployment rate, engage more people in digital work and improve life experiences. When the government provides incentive to platform workers or gig workers, it leads to active participation in the platform economy. It is of utmost importance for policymakers to set regulations for platform operators to ensure fair compensation, protect rights, and provide tax incentives. Transparency plays an essential role on platforms to ensure payment transactions between clients and workers. Hence, after completing the work, ratings should be on fairgrounds by both parties. Such initiatives could bring sustainable growth of the platform economy in the country.

6. Conclusion

The study findings determine the factors influencing platform economy development. Most importantly, digital skills appeared as a strong predictor. Moreover, digital infrastructure and economic conditions play a significant role to have a sustainable platform economy. It is necessary for platform operators to engage a more skilled workforce on their platforms by offering flexible policies. When digital infrastructure is more efficient and supports workers, it leads towards better engagement among all parties such as workers, clients, and platform operators. Workers are more attracted to platform-based work when they feel more comfortable while working and are able to generate more income. Digital platforms should possess clear policies and regulations for stakeholders to reduce operational risks and uncertainties in platform work. In view of Saudi Arabia, governing bodies should emphasize launching skill development programs across the country to motivate youth and women to work in the platform economy. It is necessary to develop an ecosystem so that each individual gets connected with platform-based work. Greater participation levels of workers lead to an agenda for economic transformation. As a result, emerging economies can benefit from the platform economy in order to reduce unemployment in the country.

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