

# DIGITAL PLATFORMS AND THEIR IMPACT IN THE SOCIAL SECTOR

Article



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*The platform model offers significant advantages to enterprises over traditional models of operation. Social sector enterprises in India can save costs, improve service delivery and scale up operations by adopting digital platforms, which can be enabled by the emergence of Open Digital Ecosystems (ODEs) on a national level. A positive trend towards funding for tech-based startups signals a conducive environment for platformization of social sector enterprises.*

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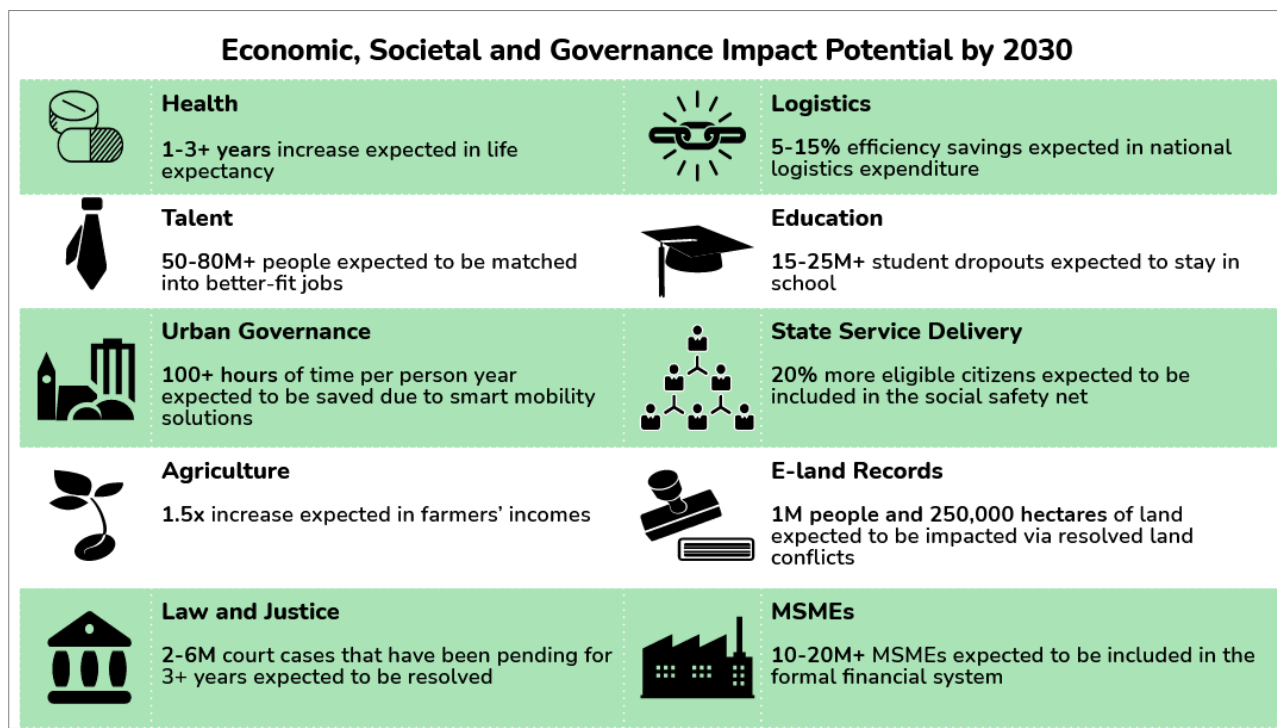
Since the beginning of 2021, vaccinations for over 500 million Indians, i.e., half of the country's population, have been facilitated by the CoWIN platform<sup>1</sup>. The platform, a repurposed version of the electronic Vaccine Intelligence Network (eVIN), is an excellent example of how existing digital resources can be scaled up to address societal issues.

There is a pronounced shift towards leveraging ICT infrastructure for efficient

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<sup>1</sup> [Ministry of Health and Family Welfare, Cowin Dashboard, accessed on 11 October 2021.](#)

implementation of initiatives by the Indian government. The integration of Aadhar with welfare schemes, for instance, enables access to benefits for nearly 1.3 billion citizens. It is estimated that the shift to open digital systems could unlock opportunities worth \$700 billion, in the areas of health, education, logistics, agriculture, governance, MSMEs and so on, and could generate more than \$200 billion in savings for the country, by 2030<sup>2</sup>.



THE POTENTIAL OF OPEN DIGITAL ECOSYSTEMS. SOURCE: NASSCOM


The emergence of platform play in government is beginning to mirror in the social sector as well. There are encouraging trends among social sector enterprises that are using open digital ecosystems to their advantage, enabled (among other factors) by large-scale digitization of public data, pre-existing digital building blocks and increased visibility of impact. The strength of digital platforms is evident from the fact that seven out of the top 10 global companies are based on a platform business model<sup>3</sup>. There is a strong case to be made, therefore, for greater adoption of digital platforms by social sector enterprises.

### WHAT ADVANTAGES DOES A PLATFORM MODEL OFFER?

- Unlike traditional business models that allow for linear creation of value as a product moves from producer to consumer, platforms enable **multi-way creation of value** as producers and consumers engage in a digitally-facilitated environment optimized for their interactions. Sunbird by EkStep Foundation provides customizable ICT building blocks for the development of learning solutions that suit various contexts and needs.

<sup>2</sup> [Digital India: Digital Public Goods Platformization Play, NASSCOM.](#)

<sup>3</sup> [Global Top 100 Companies by Market Capitalization, PwC.](#)



It has been used to develop DIKSHA (Digital Infrastructure for Knowledge Sharing), a Ministry of Education initiative that hosts teacher training modules, and learning resources for K-12 education across India.

- Digital platforms are often termed as matchmaking environments that use rich data to connect users with the most accurate resources for their needs. By doing this, these platforms **save transaction costs** associated with searching for useful information. As all transactions take place on the platform, services issues are also resolved with relative ease. The UNDP [proposes](#) investments in large-scale ICT infrastructure that can be utilized for social schemes across sectors – agriculture, health and education for instance – to enhance service delivery and bring down transaction costs. Since there is often considerable overlap in software functionality and human resource needs among welfare schemes, creating a shared digital infrastructure allows for savings to the tune of nearly 90%, and the provision to serve a larger beneficiary base<sup>4</sup>. An example in this case is the [Dehaat](#) platform, which brings all stakeholders in the agriculture value chain on one platform, i.e. farmers, micro-entrepreneurs, institutional financiers and buyers, thereby easing the burden on farmers. It reduces the number of intermediary traders, increasing transparency along the value chain and profits for more than 3 lakh farmers.
- Digital platforms **improve access to stakeholders** who would otherwise lack the resources necessary to enter a physical marketplace. Greater participation of all stakeholders also leads to compounding of network effects on the platforms, thus enhancing the overall quality of services delivered. Telemedicine solutions such as eSanjeevani (developed by C-DAC), for instance, have facilitated healthcare access to rural and isolated communities through a network of over 60,000 doctors and nurses, connected over a web-based platform. In July 2021 alone, the platform served more than 1.25 million patients<sup>5</sup>.
- Digital platforms create systems to aggregate the right information and resources for users, thus enabling agile, **data-driven decision making**. It also allows for social sector solutions to be seen as commoditized products that can be customized and scaled for various communities. The [Haqdarshak](#) app, for example, collects citizen information and allows citizens to view what government and private welfare schemes they are eligible for, thus allowing for elimination of information asymmetry, and the resulting vulnerabilities.




The current climate is highly conducive for the social sector to adopt digital platforms. *The Government of India encourages a digital-first approach in policy-making*. It is evident from the Digital India initiative, wherein citizens' digital identity, managed by the Aadhar system, is crucial for availing centrally administered subsidies, healthcare facilities, financial services and so on. The push for a Digital India is also being complemented by the proliferation of 4G internet and smartphones among Indians, as well as the BharatNet project that aims to provide high-speed internet access to all Gram Panchayats of the country. The Centre itself has set examples in utilizing digital commons to develop citizen-centric

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<sup>4</sup> [SDG Digital Investment Framework, Digital Impact Alliance, 2019.](#)

<sup>5</sup> [Digital India: Digital Public Goods Platformisation Play, NASSCOM.](#)

solutions through platforms such as the aforementioned CoWIN, the Government e-Marketplace (GEM), and Immediate Payment Service (IMPS), all of which simplify everyday engagements for their users.

 <b>ICT BUILDING BLOCKS</b>	 <b>CLIENT EDUCATION</b>	 <b>DIGITAL FINANCIAL SERVICES</b>	 <b>PROCUREMENT</b>
<b>Identification and authentication services</b>	Identification and authentication of client for educational services	Identification and authentication of payers and recipients	Identification and authentication of manufacturers and shipping agents
<b>Messaging services</b>	Notify students of available course grades or new assignments	Message recipients with a confirmation of funds received	Alert warehouse manager of shipment delivery date
<b>Payment services</b>	Submit voucher for tuition subsidy payment	Execute digital payments between payer and recipient(s)	Pay for procured products
<b>Shared data repositories</b>	Registry of educational institutions and group learning facilitators	Registry of financial institutions and cash-in agents	Registry of products and goods


SCALING UP USING DIGITAL COMMONS. SOURCE: [Digital Impact Alliance](#)

Secondly, *tech-based ventures are emerging as favoured options for family philanthropies*, and other investors. In 2020, tech enterprises claimed 26% of all family philanthropy funding<sup>6</sup>. While family givers do lean towards social sector funding, the sector still remains underfunded, with only select areas and geographies receiving the larger proportion of available funds. However, a shift to digital platforms could signal renewed interest in social enterprises, as impact-focused initiatives have been observed to attract greater investment.

Thirdly, *there are ecosystem-level trends that signal the growth of digital platforms*, and facilitate their adoption by the social sector. Platforms foster new business model development, such as collective platform ownership, eliminating restrictions on ticket size for crowdfunding, and creation of knowledge repositories. Application design also factors in constraints of connectivity and low internet bandwidth of its users.

Given these advantages, there is immense potential for the social sector to grow with the

<sup>6</sup> [India Philanthropy Report 2021, Bain & Company.](#)



adoption of platform thinking in its operations. There are instances of social organizations leveraging digital platforms, however, out of over 3 million NGOs in India, very few are able to scale their innovations across India.

There are several areas in which social sector enterprises must concentrate their efforts, in order to optimally use digital platforms to meet their objectives.

- **Reimagining solutions for replication:** Most social sector organizations operate with a linear focus, concentrating their efforts to deliver solutions at a local scale. These organizations tend to be community-focused by their very design. The know-how necessary for geographical or sectoral expansion, coupled with limited sources of information poses a hurdle. One solution for this could be collaborating with similar organizations to form a network to scale up. Enterprises could leverage technology to partner with organizations across geographies, for maximizing impact.
- **Consolidating resources:** Organizations might face difficulties with correctly identifying the needs of their target demographic and designing a platform accordingly. This is another area where philanthropic organizations can step in, to enable access to the resource set necessary for these organizations to build a responsive platform.
- **Doer vs Enabler Mindset:** Designing, developing and implementing platform-based interventions require significant mindset shift in the entrepreneur and the organisation. The key to unlocking the platform potential is to have an enabler and orchestrator mindset, than a doer/implementer mindset. Re-engineering the self and the organisation to a new thinking has great potential to unlock newer ways of problem-solving and designing solutions.
- **Access to funding:** Moving to a digital platform requires considerable resources, which might not be available owing to lack of [patient capital](#) in the ecosystem. About 35% of funding received by large NGOs comes from CSR initiatives, and the share is 7% for small NGOs. Organizations work in an extremely competitive environment when it comes to engaging with Indian donors. A positive trend towards funding for tech-based ventures, however, could be an encouraging sign for social sector organizations to adopt digital platforms.

Social sector enterprises can enhance their reach, efficiency and profitability manifold with a switch to digital platforms. With the right expertise, ecosystem know-how and clearly defined objectives, these enterprises can design the precise approach to realize their vision.

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