

## THOUGHT PROVOKING IDEAS OF THE GLOBAL ESSAY COMPETITION 2022

### Tools for change: Using platforms to enable disadvantaged groups to organize

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#### *Introduction*

On 20 September 2019, about four million people participated in the largest climate strike to date, many of them young people. While that number is remarkable, what is even more remarkable is that the knowledge about climate change being a problem dates from the 1980s, making it about twice as old as the age of most participants of the current climate strikes. In this essay I describe why some social change is moving slowly, in particular when it is driven by the young or by disadvantaged groups, and how to repurpose a tool used by internet start-ups to enable future change.

#### *Reconceptualizing generational challenges as an organizing problem*

What is striking about current cross-generational issues is that they are not new, and as such we seem to already have systems in place to deal with them. Questions of

inclusivity, environmental protection, and retirement systems have routinely been decided through democratic systems since those democracies were founded. Why are these systems failing? I argue that there are three main characteristics of our current challenges that require new solutions, each explored briefly below.

#### **Granular complexity**

We have been dealing with complex problems for a while, but the challenge we now face is that complexity is operating at a more granular level. Government action such as financial regulation is highly complex, but it works reasonably well because it is able to generalize situations: All banks are subject to the same rules and must pay attention to the same requirements. In this way generalization forms the basis for effective regulation. However, generalizability breaks down for some modern problems such as inclusivity because many aspects of life are not standardized. If one generalizes in setting rules, these rules can hardly be inclusive to

the variety of situations that people encounter. Long-standing issues of intergenerational fairness such as cross-generational social mobility suffer from exactly this type of granular complexity.

### **High velocity**

One way to counter granular complexity is to create bureaucracies. Tax and social services work despite dealing with a large variety of situations because they have “boots on the ground”: Workers trained in dealing with specific situations and embedded in a larger bureaucratic system. The problem with this approach is that bureaucracies are famously slow-moving, leading to them breaking down in fast-changing environments. For example, many nascent industries are not regulated and are provided limited oversight until they are sufficiently mature.

In addition to the slow pace of regulation, there is an additional temporal problem: It takes time for the general population to understand issues, especially if those issues only affect a sub-group of society. Minorities facing injustice typically first have to rely on grass-roots organizing and social movements to create awareness for their issues, which often takes decades, as in the case of the civil rights movement. While this slow pace of awareness-creation and coalition-building was unfortunate in the past, it is now becoming downright insufficient. Problems such as fighting climate change and changing welfare states cannot wait for decades until the point where society is sufficiently aware to broadly support legislation, but need to be dealt with quicker. This temporal misalignment affects intergenerational problems in particular, as disadvantages experienced by a young generation might only be legislated away when this generation take up positions of power decades later.

### **Scaling**

We are lucky to have many brilliant minds

working on solutions to complex and fast-evolving problems, as I am sure will be reflected in the submissions to this symposium. There are cases in which this type of complex and fast-changing problem can be dealt with by a dedicated team of individuals. Take for example the development of the Covid-19 vaccines, which were available in record time despite the newness of the underlying mRNA technology. Similarly, many social impact startups and established firms with social goals are attempting to make a difference in their communities. However, there is a key difference between vaccine development and providing access to equitable education. Both require novel solutions, but for vaccines we already have the systems in place to scale the new solution, while for educational access we do not. Because vaccine provision falls neatly into the established for-profit healthcare system, pharmaceutical firms are able to attract capital and stakeholders fast. Social startups are unable to scale in this way and at this speed. And established firms are beholden to their shareholders, meaning that their social impact initiatives can at most gain traction at the speed that this type of social impact work is widely accepted, which, as discussed above, is too slow. At the same time, the problems we are dealing with are large in scale, affecting entire societies or at times even the planet as a whole.

### **Changing the way we organize**

I argue that this triple challenge of complexity, speed, and scaling does not just require new solutions, but a new way that we source and deploy these solutions. The fact that intergenerational issues are hotly debated shows that there is plenty of demand for solutions, and on the other side there are enough people with the ideas and willingness to make a difference, so why does it not happen? From an economist point of view, the existence of both demand and supply without resolution means that the matching between

them must not work. I think that this is precisely what we are seeing right now. This offers up a path to a solution of the above triple challenge. Governments and businesses may not be able to solve intergenerational questions by organizing for direct intervention, as discussed above. But something governments and businesses *can* do is create mechanisms for matching demand and supply. In fact, it happens to be the case that over the last two decades we have developed a toolkit that has allowed us to become incredibly good at matching. The main tool used for that purpose, platforms, has by now left its infancy. It is ready to be used beyond the private market context to organize social problem-solving.

### ***Government-business collaboration on platforms: Modern intermediaries for change***

Currently, we know platforms from business contexts such as online retailing, vacation rentals, and smartphone app stores. In these settings platforms have revolutionized their respective industries: Rather than the enormous integrated corporations that used to supply goods and services, platforms have allowed direct connections between smaller, specialized players and individual customers. This has allowed a much more modular approach to commerce, where new products need to be less standardized and can be developed more rapidly (Baldwin & Clark, 2000). I will briefly explore how platforms work and then lay out how they can be used to overcome the social organizing problems we are facing.

#### **Platforms as a maturing phenomenon**

While there are different types of platforms (such as technology platforms in manufacturing), we now typically understand platforms to mean multi-sided platform markets. In these, the platform owner

facilitates transactions and information flow by matching two actors. Examples range from the Google Ads platform matching advertisers with website owners to dating services such as tinder connecting two users. Platforms have become ubiquitous thanks to the widespread availability of internet and computing capacity, as matching would have been laborious if done manually. Of special interest are content platforms such as YouTube and Reddit, where users vote directly or indirectly (through consumption) which content they like best, and they as well as other users are then served more of that content. Both of these platforms were founded in 2005 and are now mature, established players who have refined their approach to connecting people with custom-tailored content. Interestingly, consumers and content creators decide without any outside intervention how differentiated the content consumed is – there is some content which can be seen as “standardized” and consumed by a large number of people, while other content only serves a small and specific niche. This way, the platforms do not have to know about all the specific niche products demanded of it, but can “outsource” this initiative to the individual content creators. A similar strategy is used by the successful Kickstarter platform, where startups can collect funding for specialized products from potential customers.

#### **Social impact platforms solving the triple challenge**

The first section of this essay developed the “triple challenge” facing social current organizing, comprised of granular complexity, high velocity, and scaling difficulties. As it happens, platforms are great at responding to very similar challenges. The previous paragraph described how content platforms serve niches by outsourcing the necessary specialization to third-party actors. These actors are then tightly connected to their user bases, and because they are independent of

any bureaucracy, they can quickly adapt to changing tastes. Lastly, content platforms provide content creators with the necessary tools to scale quickly, such as costless replication of their product, audience availability, and web hosting services. Without content platforms, a content creator would have been unable to scale this fast and seamless.

We can make the same mechanism work for social impact organization. A platform allows governments to optimally match the needs of individuals with programs offered by both for-profit and non-profit organizations. The way this could work is the following: A government allocates certain funding to groups that are disadvantaged or underrepresented, such as minorities and young people. These individuals can then individually declare their support on the platform for certain projects proposed by organizations. These projects could include things like providing specialized educational access or lobbying for stricter climate rules. The funding and other support (for example physical equipment or use of public spaces) would then be distributed to organizations based on the preferences of the individuals affected.

This allows governments to provide tailored support for causes of disadvantaged groups without first needing widespread awareness of specific issues. It would also allow that support to quickly adapt to new situations while avoiding a reliance on slow-moving bureaucracies. Finally, and perhaps most importantly, it would allow disadvantaged groups to organize and rally around one approach quickly and effortlessly. Young people may currently struggle to find a common voice because they do not have access to traditional forms of organizing, similar to other disadvantaged groups. By breaking up governance along interest groups, disadvantaged groups no longer have to rely on existing organizations for support, but could quickly scale their own. Platform-based matching would also allow businesses

with useful initiatives to scale these initiatives much quicker than they are currently able to do. Finally, by creating clear roles and expectations for participating businesses, platforms allow effective and transparent ways of incentivizing businesses to work on social issues, enforced by those who support their approach and by the government.

### **Practical steps: Creating platforms with legitimacy**

Assuming the above holds true and platforms are great social impact tools, the natural question is why they are not yet widely used this way. I believe the main challenge is not just in creating a platform, but in legitimizing it. There are two types of legitimacy, both needed for the acceptance of a new way of organizing: Cognitive legitimacy and sociopolitical legitimacy (Aldrich & Fiol, 1994). Starting with the former, because of their relative newness, many people are only beginning to understand how platforms work. Where there is understanding, many see platforms as primarily profit-maximizing monopolies, not as a tool supporting social change. One way to change that is through local proof-of-concept prototypes that can showcase the benefits of platforms. On the sociopolitical side, lawmakers can create frameworks for how social impact platforms should operate and give them budgets to be able to operate at scale. Lastly, businesses can partner with social impact organizations to establish working through platforms as a viable way to change the world.

In summary, a platform for social impact, sponsored by government and supported by businesses, allows for a modularized approach to overcoming societal challenges. In this way, each actor can contribute to the best of their abilities: Governments can set rules and monitor outcomes, businesses can create solutions and execute plans, and individuals can use their own knowledge to respond to idiosyncratic and fast-changing situations. In this way, social impact platforms provide intergenerational conflict with something it is currently missing: A tool for change.

***Reference:***

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Baldwin, C. Y., Clark, K. B., & Clark, K. B. (2000). *Design rules: The power of modularity* (Vol. 1). MIT press.