

Seeking Growth The **ESG** Way





DIGITALISATION

Transforming lives, governance
and access

- ▲ Atypical ESG play on social well-being and governance
- ▲ Disrupting economies, raising expectations
- ▲ Initiatives on education, social inclusion make a mark
- ▲ Sectors disrupted, some gain; new platforms emerging
- ▲ Fintech, financial services, retail and healthcare stand out

Transforming lives, governance and access

India has been a low-to-middle income economy. Digitalisation, we argue, is disrupting business models and transforming them beyond measure, and will help the country make the switch to a higher income economy while effecting dramatic changes in social life, human well-being and governance, not to mention the unprecedented ESG investment opportunities.

In India's context particularly, digitalisation is proving to be an effective tool in bridging knowledge and education gaps, and is being harnessed to overhaul governance frameworks. Businesses, large and small, too are teeming with innovative ideas to capture untapped – and undreamed of – opportunities by exploiting the digital infrastructure now available in the country. More importantly, the scale and scope of digitalisation have made it the most successful ESG theme playing out in India, expediting dispensation of social governance.

The government launched the Digital India programme in 2015 with “a vision to transform the country into a digitally empowered society and knowledge economy”. It entails building digital infrastructure, delivering governance via digital platforms, and empowering citizens through digital literacy. Growth in digital transaction value has since skyrocketed 50%-plus annually over the past three years. Aadhaar card and Direct Benefit Transfer (DBT) initiatives have been reasonably successful. The government's digital education initiatives such as SWAYAM and drives such as e-Hospital are building up too. India is getting digitalised by the day.

In our view, fintech, financial services, retail and consumer, healthcare and logistics stand out for their outsized potential to gain from deepening digitalisation. For instance, banking services have moved onto the digital platform as internet and smartphone penetration continues unabated. Both businesses and consumers have gained from ensuing cost reductions. Similarly, the number of online shoppers, currently 80 million, is expected to almost treble to 220 million by 2025.

Digitalisation in India is loading fast...