



DIGITALISATION OF INDIAN ECONOMY: AN OVERVIEW

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ABSTRACT

Digital economy consists of various components, key among which include government; policy and regulation; internet, the World Wide Web (WWW) and electricity infrastructure; telecommunication industry; digital service providers; e-business and e-commerce industry; information and knowledge management systems. The global economy is undergoing a digital transformation as well, and it's happening at breakneck speed. It's the economic activity that results from billion of online connections among people, businesses, devices, data and processes every hour. The backbone of the digital economy is hyper connectivity which means growing interconnectedness of people, organisations, and machines that results from the Internet, mobile technology and the internet of things (IoT). This Economy is worth of three trillion dollars today. This is about 30% of the S&P 500, six times the U.S.' annual trade deficit or more than the GDP of the United Kingdom. What is impressive is the fact that this entire value has been generated in the past 20 years since the introduction of the internet. Digitization of the economy creates benefits and efficiencies as digital technologies drive innovation and fuel job opportunities and economic growth. The digital economy also permeates all aspects of society, influencing the way people interact and bringing about broad sociological changes. It essentially covers all business, economic, social, cultural etc.



KEY WORDS: Digital economy, Digital Revolution, E-business, Economic Transformation.

INTRODUCTION

India is the fastest growing economy in the world. The Indian economy is the seventh largest economy in the world measured by GDP and third largest by purchasing power parity (PPP) after US and China. The Indian economy has seen a lot of changes from being self-reliant to opening its door for global trading by allowing LPG (Liberalization, Privatization and Globalization) in 1991. Under the then Finance Minister Mr. Manmohan Singh. And since then there is no seeing back. According to the latest Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity. The recent steps of the Indian government have shown positive results in the growth of the GDP. According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

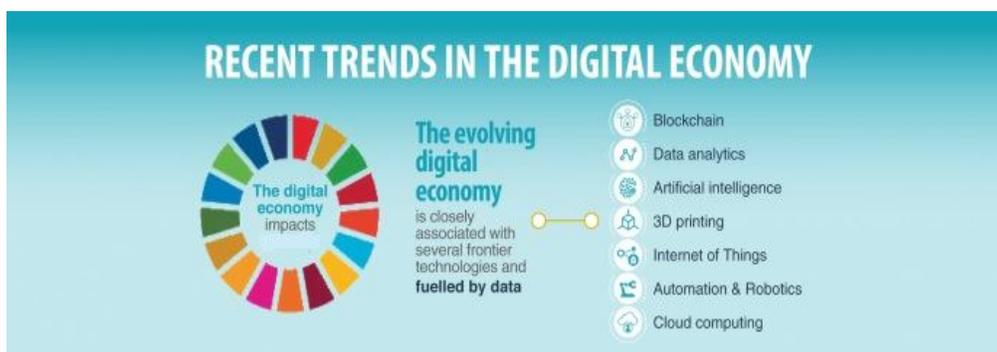
DIGITAL REVOLUTION:

The 1990s also saw the entrance of technology in India and people were introduced with the use of personal computers and gradually the automation took every sector by storm and now we can see the virtual world that exists and anything can happen in it from uniting the world to initiate a war if not handled properly. But in a developing country like India the process of digital soundness has been slow and got a huge push to go digital when the demonetization shook everyone. Although there have been various initiatives taken by our Honourable Prime Minister Mr Narendra Modi such as Make In India, Swatch Bharat Abhiyan, Digital India etc. But it was during this money crunch when people started recognising the benefits of being digitally sound and how useful it is. Our government has emphasised ongoing cashless as it will make transactions smoother and transparent and eliminates the existence of parallel economy which poses threat to the peace in our country and also helped in their financial inclusion plan and has seen that demonetization has made the accounts opened under PradhanMantri Jan Dhan Yojana operational.

The digital revolution has transformed lives and societies with unprecedented speed and scale, delivering immense opportunities as well as daunting challenges. New technologies can make significant contributions to realizing the Sustainable Development Goals. In that same spirit and in today's fast-changing environment, We welcome Digital Economy, which examines the implications of the digital economy, especially for developing countries. Digital advances have generated enormous wealth in record time, but that wealth has been concentrated around a small number of individuals, companies and countries. Under current policies and regulations, this trajectory is likely to continue, further contributing to rising inequality. The digital economy will require a range of new and different skills, a new generation of social protection policies, and a new relationship between work and leisure. We need a major investment in education, rooted not just in learning but in learning opportunities for all. The digital economy has also created new risks, from cyber security breaches to facilitating illegal economic activities and challenging concepts of privacy. Governments, civil society, academia, the scientific community and the technology industry must work together to find new solutions.

ECONOMIC TRANSFORMATION :

The expansion of the digital economy creates many new economic opportunities. Digital data can be used for development purposes and for solving societal problems. It can thus help improve economic and social outcomes, and be a force for innovation and productivity growth. Platforms facilitate transactions and networking as well as information exchange. From a business perspective, the transformation of all sectors and markets through digitalization can foster the production of higher quality goods and services at reduced costs. Furthermore, digitalization is transforming value chains in different ways, and opening up new channels for value addition and broader structural change.



IMPACT OF THE DIGITAL ECONOMY :

Digital India has a deep impact on people from every part of society. It has a positive impact on the progress of the society and an individual's life. Out of hundreds of programs, one of the programs has the motive of creating 28,000 BPO jobs across the country. It has also arranged a common service center in each gram panachayat.

ECONOMIC IMPACT:

The Digital Indian plan could uplift GDP up to \$1 trillion by 2025 as said by Analysts. It can play an important role in macro-economic factors. These factors include labor productivity, employment generation, and GDP growth for the Government. The economics opportunity in India still has to increase. The rural India teledensity is 45% whereas the population rate is above 65%. Urban regions are involved in above 160% of a teledensity.

SOCIAL IMPACT:

Digital India helps in the improvement of social-economics status. It provides easy access to all resources and services within less time of delivery. The unattainability of corporal infrastructure in rural areas leads to the deprived of literacy rate. That is why m-Education is important to reach out to these remote crowds. As per the research, digital literacy in India is 6.5%. Whereas the usage of internet services in the population is just 20.83 out of 100.

ENVIRONMENT IMPACT:

The changes in technology not only impact the economic system but also provide environment changes. The next generation of technologies results in reducing the carbon footprint. It is decreasing waste management, fuel consumption, paper consumption, and greener workplaces. Thus, it gives importance to a greener ecosystem. The digital India project saves the environment by reducing travel costs. It also saves natural resources.

DIGITAL LITERACY:

The government of India has taken a huge step to enable rural people to use the internet for improving the entire quality of life. Most of the rural people were not able to access the internet until 2015. Narendra Modi, the Prime Minister of India has also taken an initiative to digitally literate rural houses. The Government is working to cover around 6 crore houses under this massive project of 2,351.38 crores. This project executed by the Pradhan Mantri Gramin Digital Saksharta Abhiyan. It has the aim of reaching its target by the end of March 2018.

Importance of Digitalisation in Indian Economy:

Digitalisation has played a significant role in helping the Indian economy to develop. To create job opportunities for a big population, everybody in the country talk about information technology. The "Make in India" initiative encouraged the youth to start enterprises. The Indian Society is feeling the impact of digital economy in terms of employment and contribution to the gross domestic product among other things. Digitalisation in India makes it easier for people to access high speed internet. It has also simplified mobile banking. Information and communication technologies (ICTs) provide new opportunities and new challenges for developing economics. ICT adaptation, automation and digitalisation provide new opportunities in terms of increased efficiency and productivity, there creation of new services, occupations and increased connectivity among agents. India one of the largest economics in the world, with a remarkable pace of ICT diffusion, represents a relevant case to investigate the impacts of digitalisation on economic development. It plays important role in achievement of goal.

Obstacles in the process of digitalisation:

1. The resistance to change people show during emergence of new technologies.
2. Absence of knowledge about its uses of benefits.
3. Lack of infrastructure and its unavailability.
4. It is difficult to build change among the people.
5. Lack of literacy among the most Indians.
6. Lack of learning efforts among the people.

RECOMMENDATIONS:

1. Schools, Colleges and academic institutions should take step in this regard to impart knowledge among the people.
2. Community centres can be formed to literate people regarding the issue.
3. Organisation can guide their people and make them smart regarding the issues.
4. People should make aware about the security of their personal information and data.

Impact of Digitalisation on Indian Economy:

Digitalisation is concerned with conversion of all data bits format by using different technology to change process. In India Government has taken various initiatives such as "Digital India" under the leadership of P.M Mr. Narendra Damodar Das Modi. Digital India is a initiative taken by Indian government to help the country to adopt digital initiative, for reducing the dependency on bureaucratic process and corruption.

The impact of Digital India on the growth of economics of country is supposed to be long-lasting, as the initiatives in Digital India scheme is driven by technology.

Key initiatives:

- Starting a Digital Locking system (Locker) to help countrymen for storing their important documents like PAN Card, Passport, Voter ID Card, Education Marksheets.
- "My Govt" portal to improve good governance.
- "ORS" portal to help people of the India to handle appointments, pay online fees of doctors and various governmental hospitals in India.
- Design framework to use the W digital signature of the documents.

Impact of Digital India

- Negate corrupt practices
- Enhance the pace of public sector industries.
- Minimise overload of documentation.
- Management of online storage for storing all documents.
- Simplify the use of cloud space on the internet.

Govt. of India is working towards creating an economy which is more based on internet and less based on paper. Digitalisation "Digital India" has a positive impact on Indian economy. The basic plan of digitalisation is to form full use of ICT facilities for accessing worldwide resources. Digitalisation is the need of hour, it is demand of the day in India, in order to speed up the economy. Digitalisation brings innovation, easy operation, new job opportunities and growth within the economy. It helps to bring transparency within the system. By digitalisation, the data to an ever-larger Quantity is being made processed, Communicated and preserved digitally.

CONCLUSION:

Automation and advanced algorithms are transforming the nature of jobs performed by humans. The digitalisation brings innovation, easy operating, new job opportunities and growth within the economy. It helps to bring transparency within the system and a lot of clear area unit the flow of funds within the economy less is that the downside of non-payment, parallel economy etc. however with of these advantage obtainable it additionally makes it necessary for the folks to own basic monetary information and a push towards the importance of the monetary attainment. Digitalization also plays a very important role in action this goal because it can have a larger reach to the folks.

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