

Indian Economy : Digital Revolution for Growth

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Abstract

The business world is changing very fast. The world business prospects changes its shape with the up-gradation of technology and infrastructure. But India still has a long way to go in terms of fully embracing e-commerce, e-government and global e-trade. Fortunately, this creates a myriad of opportunities; Smart phone penetration in India is one of the highest in the world and here too we have tremendous opportunity for commerce. India needs to move more quickly towards becoming a free Wi-Fi zone as this will open more opportunity for new business creation and trade. Keeping the emerging market of Indian Economy, the policymaker should focus on the up-gradation of digital infrastructure for the development of the Economy. It is essential to understand to digital economy. This paper discusses the strength and challenges for Indian Economy.

Keywords: *Digital Economy, Globalization, Services*

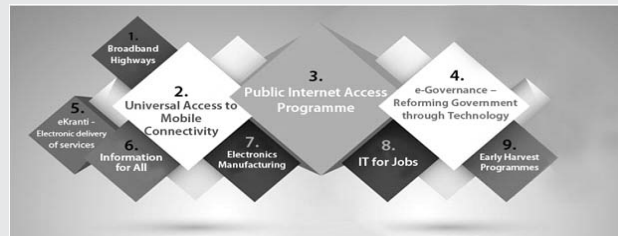
Introduction

We are living in digital world. Technology totally changed our lifestyle and consumption pattern of living in many aspects. The Technological Environment of the country changing very fast after the economic reform in 1991. The LPG policies of the government open the door of the economy the whole world. India's digital infrastructure can play a crucial role in the country's growth. Digital revolution create a easy going way to all sector of the economy whether it is agriculture, industry or service sector. Government of India started Digital India programme to transform India into a digitally empowered society and knowledge economy. It was launched on 2 July 2015 to ensure that government services are made available to citizens electronically by improving online infrastructure and by increasing internet connectivity or by making the country digitally empowered in the field of technology. It consists of three core components as follows:

- 1. The Digital Infrastructure Creation .*
- 2. Digital Delivery of Services.*
- 3. Digital literacy.*

Digital India is an umbrella programme that covers multiple Government Ministries and Departments for public. It weaves together a large number of ideas and thoughts into a single, comprehensive vision so that each of them can be implemented as part of a larger goal. Each individual element

stands on its own, but is also part of the larger picture. Digital India is to be implemented by the entire Government with overall coordination being done by the Department of Electronics and Information Technology (DeitY). Digital India aims to provide the much needed thrust to the nine pillars of growth areas, namely Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, e-Governance: Reforming Government through Technology, e-Kranti - Electronic Delivery of Services, Information for All, Electronics Manufacturing, IT for Jobs and Early Harvest Programmes.



The Digital India programme focusing together many existing schemes. These schemes will be restructured, revamped and re-focused and will be implemented in a synchronized manner. Many elements are only process improvements with minimal cost implications. The common branding of programmes as Digital India highlights their transformative impact. While implementing this programme, there would be wider consultations across government, industry, civil society, and citizens to discuss various issues to arrive at innovative solutions for achieving the desired outcomes of Digital India. DeitY has already launched a digital platform named as “myGov” (<http://mygov.in/>) to facilitate collaborative and participative governance. Moreover, several consultations and workshops have been organized to discuss the implementation approach of the vision areas of Digital India. Digital India is a great plan but its improper implementation due to inaccessibility & inflexibility to requisite can lead to its failure.

Environment in the Telecom Sector

The Telecom Sector witnessed substantial growth in the number of subscribers during the year 2015-16. At the end of the financial year, the subscriber base was 1058.86 million out of which 1033.63 million were wireless subscribers. During the year, wireless subscriber base recorded an increase of 63.74 million, while the overall teledensity increased from 79.38 to 83.36. The year also saw increase in rural tele-density from 48.37 to 51.37 while the urban tele-density also increased from 148.61 to 154.01. The Internet subscriber base in the country as on 31st March 2016 stood at 342.65 million as compared to 302.35 million as on 31st March 2015. The total broadband subscriber base of the country increased from 99.20 million as on 31st March 2015 to 149.75 Million as on 31st March 2016.

Table-1: Overall Subscriber Base and Teledensity

Particulars	Wireless	Wireline	Total Wireless + Wireline
Total Subscribers (Million)	1033.63	25.22	1058.86
Urban Subscribers (Million)	588.79	20.90	609.69
Rural Subscribers (Million)	444.84	4.32	449.17
Overall Teledensity	81.38	1.99	83.36
Urban Teledensity	148.73	5.28	154.01
Rural Teledensity	50.88	0.49	51.37
Share of Urban Subscribers	56.96%	82.86%	57.58%
Share of Rural Subscribers	43.04%	17.14%	42.42%
No. of Broadband Subscribers (Million)	132.77	16.98	149.75

TRAI (2016); Annual Report

Indian Economy and World

Networked Readiness Index (NRI) or Technology Readiness is released by World Economic Forum annually as a part of Global Information Technology Report (GITR). The index basically measures the impact of information and communication technology (ICT) on a country and also calculates how much a country has used the ICT to grow.

India is ranked 91st among 139 countries on the Networked Readiness Index 2016, compiled by the World Economic Forum (WEF). Only 15 out of 100 households have access to the Internet, and mobile broadband remains for a privileged few, with only 5.5 subscriptions for every 100 people, according to the WEF. However, India has skipped a generation in telecom technology—going from no connectivity to over 350 million mobile Internet users—in less than two decades. The impending growth of digital assets will present India with many unique opportunities to leapfrog its traditional deficit in physical infrastructure. It will help enhance the economic conditions in remote areas, spur new businesses by enabling access for a large number of small and medium enterprises (SMEs), creating a strong digital identity for the country. Above all, digital infrastructure growth can empower the government to embrace and enable innovation, provide resources to help increase agricultural productivity as well as enable improved healthcare access for rural areas, potentially reducing mortality levels. It can also bring financial services to the unbanked rural and underprivileged communities and help fulfil the country's longstanding goal of 'education for all'.

The Networked Readiness Index of BRICS

Country	Value 2016	Rank 2016	Value 2015	Rank 2015	Value 2014	Rank (2014)	Value 2013	Rank 2013
Brazil	4.0	72	3.9	84	4.0	69	4.0	60

Russia	4.5	41	4.5	41	4.3	50	4.1	54
India	3.8	91	3.7	89	3.8	83	3.9	68
China	4.2	59	4.2	62	4.1	62	4.0	58
South Africa	4.2	65	4.2	75	4.0	70	3.9	70

World Economic Forum (2016), Global Information Technology Report (GITR)

After analysis of these figures, we are still behind the other countries like Russia, China, South Africa and Brazil.

Despite of improvements in its political and regulatory environment (78th, up four) and in its business and innovation environment (110th, up five), India slips down two positions to an overall rank of 91. Although India's absolute score has changed only marginally in recent years, the drop can be attributed in part to the fact that other countries are moving ahead at higher speeds. In addition, lack of infrastructure (114th) and low levels of skills among the population (101st) remain the key bottlenecks to widespread ICT adoption, especially in terms of individual usage (120th). A third of the Indian population is still illiterate (95th) and a similar share of youth is not enrolled in secondary education (103rd). Only 15 out of 100 households have access to the Internet and mobile broadband remains a privilege of the few, with only 5.5 subscriptions for every 100 people. This is in spite of the fact that affordability has long been one of the strengths of the Indian ICT ecosystem, with the country ranking 8th this year in this area. A deep divide persists between well-connected metropolitan hubs and remote rural areas, where even the most basic infrastructure is insufficient. In 2015 the government launched the Digital India program, which aims to close this gap by fostering investment in digital infrastructure, improving digital literacy, and increasingly providing online services to citizens. India's performance in terms of providing online services and allowing e-participation has so far

been in line with that of peer countries, but far from the global best (57th and 40th, respectively).

Digital literacy in smaller towns and villages can create employment in sectors such as business process outsourcing (BPO), retail, IT, telecom and financial services. Digital India can also ensure citizens have ubiquitous access to government services. While mobile technology has begun to make a transformative impact, digital access in Internet dark areas, could have a larger socio-economic impact.

Conclusion

Technological inventions have revolutionized each sector of the economy by reducing human labour and cost, bringing efficiency and increasing productivity. The government tries to push its digitalization move through smart cities and digital India. The Bharat Net Project has been initiated to broadband connectivity to over two lakh gram panchayats in the country at an initial cost of Rs. 20000 crore through budgetary allocations. By the end of 2017-18, high speed broadband connectivity on optical fibre will be available in more than 150000 gram panchayats with wifi hot spots and panchayats access these services at low tariffs. DigiGaon has also introduced to provide tele-medicine, education and skills through digital technology to the people. The spectrum reforms have removed spectrum scarcity in the country. It gives a major fillip to mobile broadband and digital India for the benefits of people living in rural and remote areas.

The government had set up a committee on Digital Payments. The committee has recommended structural reform in the payment eco system, including amendments to the payments and Settlement System Act, 2007.

Digital revolution in India is significant as it promises to bring a multi-dimensional

metamorphosis in almost all sectors of the society. From digitization in governance to better health care and educational services, cashless economy and digital transactions, transparency in bureaucracy, fair and quick distribution of welfare schemes all seem achievable with the digital India initiative of the present Government. A look at Government initiatives in various sectors in past three years show how digital revolution in India is not only changing the way society functions but also bridging the gap between the haves and the have-nots of the country (Gurmeet Singh; 2017).

A Computer Emergency Response Team has proposed to monitor Financial Sector. It works in close coordination with all financial sector regulation and other stakeholder.

The Government should focus on the digital infrastructure to increase the digital system in the economy. Give motivation to those in terms of gifts that is using digital payments and provide more facilities in rural areas. In the rural areas, most of the population engaged in agriculture and creating digital infrastructure it will provide jobs to the rural youth.

Digital revolution has a transformational impact in terms of formalization of the economy specially BHIM app and other digital instrument used by government to make the system transparent and vigilant.

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