

## DIGITALIZATION: IMPACT OF INDIAN ECONOMY

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### Abstract

Presently the internet has changed the way of working as nowadays the web is contemplated in pushing economics around the world and it has an effect on the country's GDP.

Digital India is the new creative concept of our Indian economy because it is a new reform which is formed by the Indian government to access government activities & programs to all the civilians digitally. This digital India program has one goal that is to move country electronically and economically. According to ICT (information and communication technology) continue to bloom at extraordinary velocity all around the world! Which is why Digital India is extremely an innovative and ultimate concept at present in the Indian economic scenario? The objective of the paper is to investigate the impact of digitization on economic growth and its potential for creating employment opportunities.

**Keywords:** Digitalization, Economic growth, Opportunity.

### Introduction

Digitalization is being a key economic driver in the present world and has played a vital role in prospering the Indian economy, ICT (information and communication technologies) has vastly spread all over the world. We have seen digitalization as the most important part of the revolution as its new activities which will make more openings for work and with that individual's aim can similarly be encountered which also makes comfort to every one of the nation through digitalization and can increase productivity in many different ways (industries, commerce, and banking etc.). It has significant implications for output improvements and also promises to have significant benefits on social welfare, more particularly on several sustainable development goals that are associated with the delivery of public services. India is the fastest-rising economy which ranks to the seventh largest economy in the world. According to the modern economy, the Indian economy will continue to rise exponentially by more than 7 percent, as stated in the year 2016-17.

Indian Prime Minister Shri. Narendra Modi has placed prominence in National e-administration design and gave its commendation for Digital India – A program to modify India into an advanced society with a proper setup for information economy. The main objective of this program is to link and empower all the areas especially rural areas with internet networking and by educating people about concept of digitalization.

Digital Technology's concept includes deep processing of various mobile applications for the origin of civilian's empowerment & development for our economy digitally, as it's not only a project but a program which is a basic requirement for the overall development of the Indian economy, where most of the generation yet does not have a reach to the internet world. The digital India concept pursues to keep importance on government electronically and helps to renovate economy into a digitally developed & empowered society but also helps to target by doing business activities faster & easier throughout the country.

This revolution will facilitate citizens to get connected in this process which is necessary in this globalized world and also for the development of our country's economy, but at present execution of 'Digital Indian' concept is a great challenge because of the bad network, internet speed, lack of education, undeveloped infrastructure in rural areas, lack of coordination between government and private organizations, digital illiteracy and lack of finance etc. are some of the challenges which are addressing in sequence to achieve the full advantage of this digital India program. Government is making efforts to imply it properly because they know that it will open various new opportunities and benefits to all citizen. Digital India - A program to change India into computerized empowered society and developed economy and this Digitalization activity can change the country into technologically advanced not in urban but rural areas in the nation as well.

### **Research Methodology**

This study was founded by secondary data collected from several books, national and international publications and some private/public journals obtainable from numerous websites and libraries that are concentrating digitalization. This paper is also a counter study grounded towards secondary data which mainly are from various articles, journals and websites.

### **Objectives of The Study**

The major objective of the paper is to study the impact of digitization on economic growth and its possibility of producing employment opportunities. Digitization being a key economic handler in the present world it is important to integrate the economy by creating digital markets, where firms, prices, and productivity proves as the three benefits handled by an economy. The most fundamental objective of the study is to point out the digitalization effects on Indian economy.

- To analyses the impact of digitization on economic growth and its potential.
- To analyses developing economic opportunities.
- To study the hindrances in the track of the digitalization and its economic growth.
- To discover applied explanation and inventive ideas to achieve the vision of digital India.

### **Digitalization Process in India**

More than 12000 rural post office branches have been connected digitally. Electronic transactions related to e-governance projects in the country have almost doubled in 2015 and 3.53 billion transactions took place in 2014, which almost doubled in 2015 to 6.95 billion through the Digitalization. By the digitalization progressive policies have played a significant role in the resurgence of the electronics manufacturing sector. Therefore, the Indian government has an insinuation of many beneficial plans and schemes connected digitally across the country which makes 'Digital village' a beneficial holder to government policies through the digitalization, for example e-services, e-education and e-health etc.

### **Impact of Digitalization on Indian Economy**

Digitalization escorting is an important transformation in India and it is also playing a crucial role in ensuring the efficient last mile delivery services to citizens, as Digitization and Technology are bringing several incredible opportunities for entrepreneurs. Improved telecom and Internet saturation, availability of skilled manpower for providing IT services, entrepreneurship exhibited in building ICT start-ups, along with government implementation ICT in its operations and services are enabling India to play a role in the digital economy. The digitization embodied in manufacturing and service has increased efficiency, total factor productivity, spill-over effects, transparency and

accountability, for example, e-commerce has improved logistics and supply chains; digital payment services have provided flexibility and transparency; digital identification services have enabled de-duplication and prevention of fraud, and digital learning platforms have augmented literacy. Though India pioneered offshore IT services to contribute to exports worth \$150 billion, it is this wave of digitization that has brought ICT services to the domestic market at large.

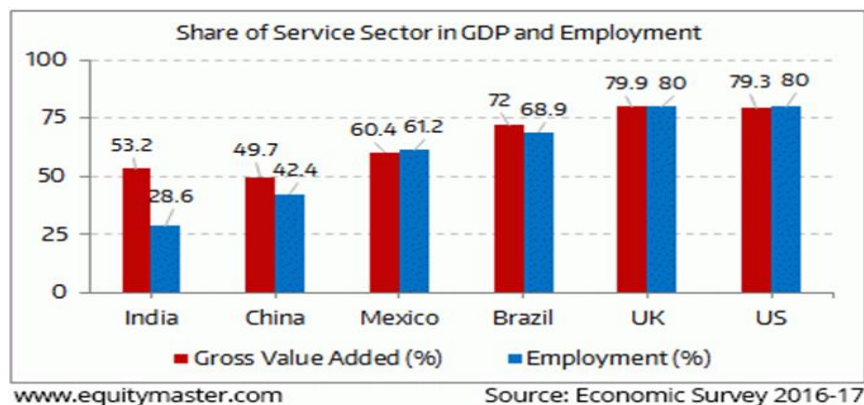
Presently some important impact is seen on Indian economy they are as follow –

- \* Traditional sector is adopting the highest level of computing, broadband, and mobile telephony network which are helping these sectors to grow rapidly economically.
- \* The result of revenue growth is comprehensive.
- \* Impact on the composition and placement of industrial value chains.
- \* The growth of some industries within the services sector, for example, growth in software development and business process outsourcing and the impact of broadband access on exports of manufacturing and service firms.
- \* Increase in average household income.
- \* Digitization technologies in the public sector with impact on citizen welfare is progressing at a fast speed.

### Economic Impact

Digitalization has played a dynamic role in booming the Indian economy and had formed the job opportunities for youth in the country, through the digitalization youngsters creates new start-ups and thinks innovative ideas to contribute to digitalization of India. Government is also encouraging citizens for a cashless and reduce dependence on cash transactions that on purpose take action to make implementation of digital payments, as it also helps a legal path to flourish the economy. Customs of plastic money gives freedom as well as safety to citizens of the country because it works on the technical ground and it becomes helpful to the global world as well. The Digitalization increase GDP, as It can play a key role in macroeconomic factors such as GDP growth, employment generation, labor productivity, growth in a number of businesses and also comprehensive revenue for the Government.

We can see the latest pair of statistics linked to an impact on the Indian economy in terms of contribution the employment in comparisons with other countries:



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Some Economic impact are as follows –

1. Improved productivity and increase efficient business processes supported by ICTs.
2. Revenue growth causing from extended market coverage.
3. Impact on the composition and placement of industrial value sequences
4. The growth of some industries in the services and manufacturing sector.
5. Increase in average household income as a result of digitalization
6. Development in rural areas in the country.
7. Increase job opportunities.
8. Progress in the finance and banking sector
9. Expansion of the international market and it Provides opportunities for B2B and B2C platforms in domestic businesses to address international markets.
10. Elaboration of new products and services, such as the whole range of cooperative businesses that characterizes the digital economy.

#### **Social impact:**

In the society, most of the areas are affected through digitalization, in social sectors such as education healthcare, and banking are unable to reach-out to the citizens due to the hindrance and limitations on mediator, illiteracy, ignorance, poverty, lack of funds, information and investments. These challenges have led to an unfair growth in the rural and urban areas with marks difference in the economic and social status of the people in these areas, but presently digitalization has spread all over the country so that it makes easier for people to obtain access to services and resources.

The penetration of mobile devices may be highly useful as a complementary channel to public service delivery apart from creation of entirely new services which may have a vast impact on the quality of life of the people which may lead to social modernization; it also plays a significant part in rural and remote areas whereas poor literacy rate in India are due to physical infrastructure and where m-education services play more important role.

The most important area is finance as this sector has lots of reflection seen on digitalization in mobile and internet banking which can improve the financial enclosure in the country. Telecom operators get surplus revenue streams while the banks can reach new customer groups sustaining the lowest possible costs.

#### **Environmental Impact**

Digitalization changes the worldwide environment, the major change in the technology system is adapting to more than countries. India has also adopted the western culture and economic system by some international legal and trade rules are also applied in the country which is the reason Indian has a micro and macro environment that gets effected through Digitalization.

#### **Conclusion**

Digitalization helps improve all the areas like social, agricultural, industrial, services and economic system and enhances GDP of the country as well. Digitally connected India can help in refining social and economic condition of people through the development of non-agricultural economic activities apart from delivering access to education, health, and financial services. However, it plays a

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significant role because ICT alone cannot directly lead to overall development of the nation and hence, the overall growth and development can be fulfilled through supporting and enhancing features such as literacy, fundamental infrastructure, overall business environment, supervisory environment and through the digitalization itself.

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