

Digital Transformation of Economy in India

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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 infrasture; 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 (lot).

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: Business, Cultural, Digital, economy, e- business, World Wide Web.

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 2019.

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