

## Economics of Digitalization in India

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### ABSTRACT

The economics of digitalization is the field of economics that studies how digitalization affects the economy and how digital data can be used to study economics. Digitalization is the result of innovations and technological advances. Every country is aiming to achieve digitalization to empower society in a better way. In India “Digital India” programme was launched by Prime Minister Narendra Modi on July 1, 2015 to empower the nation and its people. Digital India is a programme to transform India into a digitally empowered society and knowledge economy.

Digital India programme aims to provide Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, E-Governance: Reforming Government through Technology, eKranti – Electronic Delivery of Services, Information for All, Electronics Manufacturing: Target Net Zero Imports, IT for Jobs and Early Harvest Programmes. This initiative will ensure that all government services and information are available anywhere, anytime, on any device that are user friendly and secured. This transformation will make in to reality when every citizen of India will participate in this transformative impact. Digital India initiative could help in achieving the objectives of: EDUCATION FOR ALL, INFORMATION FOR ALL, BROADBAND FOR ALL, LEADERSHIP STRUCTURE, GLOBALLY INDUSTRY PARTICIPATION.

A key issue in the economics of digitalization is how much people value internet based services? What is the level of utilization of digital services and what is the impact? The present study is an attempt to analyze the impact of digitalization in India and understand challenges and opportunities of digitalization. The methodology of the study includes reviewing the existing literature, reports published by the government and the study also based on primary data collected by the researcher. There was lack of awareness among youth about Digital India Initiative. Girls are more aware about the initiative as compare to boys. Both boys and girls utilize the services of internet to the maximum benefit. Digitalization is accepted by choice or by force.

**KEYWORDS:** Digitalization, Digital Economy, Digital Payments, Digital India, Digital Empowerment

The economics of digitalization is the field of economics that studies how digitalization affects the economy and how digital data can be used to study economics. Digitalization is the process by which technology lowers the cost of storing, sharing and analyzing data. This process has changed how consumers behave, how industrial activity is organized and how government operates.

A key issue in the economics of digitalization is how much people value internet based services, how digitalization related policies such as net work infrastructure investment and subsidies for internet access help the people to receive the benefit of digitalization, how do the consumers gain from internet and what are the defects internet based services and the problems faced by the beneficiaries of internet services.

### Digital India Program

Digital India is a programme to transform India into a digitally empowered society and knowledge economy. It is an initiative of the government of India to integrate government ministries and departments with the people. The programme aims at ensuring the availability of

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government services to citizens electronically by reducing paper work. The initiative also includes plans to connect rural areas with high-speed internet networks. Digital India has three core components viz., Creation of digital infrastructure, Delivering services digitally and Digital literacy.

The project is handled by the department of Electronics and Information Technology of the Ministry of Communication and Information Technology. The scheme will be monitored and controlled by the Digital India Advisory Group which will be chaired by the Ministry of Communication and Information Technology. It is an inter-ministerial initiative where all ministries and departments will offer their own services to the public such as health care, education, transportation etc.,

### Vision of Digital India

The vision of Digital India is concentrated on the following 3 key areas.

1. Infrastructure as utility to every one: by providing high speed internet as a core utility, cradle to grave digital

- identity, mobile phone and bank account enabling participation and easy access to common service centre.
- Governance and services on demand: by services available from online and mobile platform, citizens entitlements to be available on cloud and making financial transactions electronics and cashless.
  - Digital Empowerment of Citizens: by universal digital literacy, universally accessible digital resources, all documents/certificates to be available on cloud, availability of digital resources and services in Indian languages and providing collaborative digital platforms for participative governance.

### Pillars of Digital India

- Broad band services to all rural and urban areas.
- Universal access to mobile connectivity
- Public Internet access programme
- E - Governance: Reforming government through technology, form simplification and reduction, online application and tracking, use of online services for certificates and smart cards (ration cards, voter ID, driving license etc.,)
- eKranti - Electronic Delivery of Services
  - Technology for education - all schools and colleges connected with broad band, free WiFi in all schools, digital literacy programme and online courses.
  - Technology for Health Care - online medical consultation, online medical records and online medicine supply.
  - Technology for Farmers - real time price information, online ordering of inputs and online cash, loan, relief payment with mobile banking.
  - Technology for Financial Inclusion - mobile banking and ATM programme.
  - Technology for Security - mobile emergency services
- Information for All - Online hosting of Information and Documents, Open data platform and two communication between citizens and government.
- Electronic Manufacturing - Target Net Zero Imports by 2020.
- IT for Jobs - to train people in smaller towns and villages for IT sector jobs
- Early Harvest programme - Biometric attendance, WiFi in all universities, Public WiFi Hotspots, e-books, SMS based weather information and disaster alerts, National Portal for lost and found children.

### Digital Tools used for Public Services

Under digital India programme many number of services provided by the government. They are.

### Unique Identification System (UDI)

UDI system is a means for residents to easily establish their identity any where in the country. It is an important steps towards ensuring that people in India can access the resources and benefit.

### Smart Cards

Smart Cards are replaced in the place of Ration Cards which aimed at identifying citizens. Through smart cards free services and subsidies are given. It includes food and energy (rice, dal, sugar and kerosene). Any subsidy received by an individual would be entered on smart cards.

### National E-Governance Plan

Make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable cost to realize the basic needs of the common man.

### Digital Tools for Tax Administration

The role of income tax department in tax system in India is rapidly increasing. In order to monitor the direct tax it has introduced E-filing of Returns and Permanent Account Number (PAN). E-filing of income tax return is the process of electronically filing returns through internet which can be filed at any time at any place. PAN issued by income tax department is the critical element in capturing income and expenditure of a person.

### Internet Banking

Internet banking offers different online services like balance enquiry, request for cheque books, stop payment instructions, balance transfer instructions, account opening and other forms of banking services. Banks are also offering various payment services on behalf of their customers.

### The Research Study

A research study was conducted to find out the impact of digitalization in India. Two hundred samples were chosen at random from both rural and urban areas of the state of Tamilnadu in India. The specific objectives of the study are, to find out the level of satisfaction of consumers, to know the availability and accessibility of internet services and the problems faced by the consumers in utilization of internet services.

### Main Findings

**Lack of awareness among people about Digital India Initiative** - only 58 per cent of the respondents aware of Digital India Initiative, school students and college students are well aware and benefit more, girls are more aware about the initiative as compare to boys.

**Availability and Accessibility** - very less number of people accessible to internet services, availability of internet service is always the problem, urban and city people are more accessible to internet than the rural people, 100 percent of the respondents very happy about the availability of mobile phone service.

**Problems Faced by the Consumers** - Interrupted broadband service, poor ATM service, online fraud, misuse of online marketing, online banking fraud.

### Suggestions

- Government needs to bring in more awareness programme about Digital India Programme.
- Government may collaborate with corporate to implement this initiative on a large scale
- Trainings and awareness sessions should be taken up in schools colleges and universities.
- Conferences, seminars and workshops can be organized to discuss and create awareness among youth about Digital India Initiative.

### Conclusion

Most of the people aware about the Digital India Initiative, but do not know the details and services of the programme. There exist a huge potential to increase the contribution of the youth for this initiative to be successful and the Government should start spreading awareness.