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Digitalization: Indian Economy Towards Paperless

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ABSTRACT:

Digitalization is emerging as a new medium so that the developing economy can be developed and in digital economy, majority of the functions are completed with the help of digital mediums. The main objective of digitalizing the Indian economy is that products, services (banking, healthcare, financial, civil) and government's assistance and schemes should be easily accessible to all citizens and through digital media, the entire economy should be connected together through a virtual network. A well-organized digital infrastructure has to be created so that there is a transparent financial system in which all the transactions of the economy are recorded and financial inclusion can be done. As a result, tax evasion is expected to reduce, income is expected to increase, the government's schemes are targeted to reach everyone and efforts are being made to connect the Indian economy with the world economy, but an economy like India it is not so easy to completely digitalize because India has more than 1600 dialects, different culture, 27% population is below poverty line, low per capita income and digital literacy is also low, in such a situation the question is whether people can afford expensive digital equipment, computer, phone and will you be able to afford internet and also be able to use them properly? In this paper, the need of digitalization, benefits of digitalization and the problems faced in the implementation of digitalization will be studied.

Keywords: Digitalization, Indian Economy, Financial inclusion, Poverty line

INTRODUCTION

Digitalized economy means majority of functions of an economy should be completed with the help of digital mediums. Digitalization of the Indian economy was started on July 1, 2015 with the "Digital India" initiative by Prime Minister Narendra Modi. The main objective of digitalizing the Indian economy was to connect India's rural and urban areas together through a virtual network and simultaneously develop backward districts and over-states. Government schemes and assistance should be made accessible to everyone and with ease and economy, various services like Banking, Healthcare, Product, civil services should be made accessible to everyone and it should be ensured that there is physical presence to avail these facilities. It is not necessary to be present so that time, labour and cost can be budgeted. India is a country of youth where almost 65% of the total population is under the age of 35 and 100% of the people in India use internet and India is at 2nd place in the world in terms of internet usage. As the Indian economy becomes digitalized, as a result, employment opportunities will arise in the IT sector, in which software developers, hardware manufactures, and technology experts are prominent. Digital media create such a virtual platform that brings the whole world together. So that the reach of education, health, service sector, business will not be limited to just one place but will spread all over the world. Digitalization is expected to have a positive impact on GDP, Export, Employment, manufacturing sector, financial sector.

REVIEW OF LITERATURE

Babli (2021) Digitalization has simplified many tasks such as getting education, banking, health facilities and trade and business to the international level, apart from this it also encourages eco friendly environment and sustains the environment. It also helps because under digital India the paper requirement is less so that the cutting of trees is also less but still there is some problem in Indian economy like lack of literacy, lack of digital awareness, slow and delay infrastructure development etc. Because of which the dream of digital India is far away.

Dr. Mukesh Singh Chandal (2022). Making the whole economy cashless seems to be impossible because half of India's population has not been able to access proper internet facility and even where internet facility is being made available, proper infrastructure is not available to operate it, most of the people in India People do not know how to use internet based apps and websites properly.

Gujan B. Holdankar (2018) The vision of digital India is very big but it is bigger than that to implement it in whole India if it is successfully implemented in whole Indian economy then Indian economy will go far ahead as compared to economy of other countries. But on the basis of digital India like broadband highway, universal access etc. But they are facing many problems which have to be overcome, otherwise digital India will remain just a dream.

S. Krishnaprabu (2019) digital India initiative has made access to many services and tasks easier for people and less time is also spent like payment, withdraw, transfer of money, easy access of banking and health services, Make eco friendly Environment, business and trade have been made international from national. In order to make full use of the opportunities arising out of digitalization, it is necessary to overcome some problems like lack of internet access, lack of digital literacy etc.

Jaya Radha (2018) Due to digitalization, many works of the economy are now done in less time and in a simpler way and it is not even necessary to be present there like money deposit, withdraw and transfer, services like post office, hospital etc. Digitalization has prevented corruption and tax evasion to some extent. But in order to take advantage of all these facilities and to avoid fraud, it is necessary that people's digital awareness and knowledge should be increased.

Dr. Santosh Kumar Tripathi (2018) In India, cash is still used for business and daily transactions in most of the people and places and people who use digital medium have some problems like slow speed of internet, insecure transaction root. etc. In India too, very few services and places have been completely digitalised.

Inna Lazanyuk (2021) Digitalization is showing a positive effect on the Indian economy, unemployment is decreasing as digitalization increases, and indirect tax and direct tax collections are increasing as digitalization increases.

Dr. Karabi Goswami (2022) Found that the use of digital medium is not only used by technical sound people, it is also done by common people in large numbers, despite digitalization, most of the people prefer to do cash transactions and they have to finish their work by going to office and shop . they do not want to be completely digital.

NEED OF DIGITALIZATION OF INDIAN ECONOMY

India ranked first in terms of population in the world, 4th largest economy in the world, 65% population in India is below 35 years, availability of local resources, Indian people are CEO and

Manager in top foreign companies But still 27% of India's population is below the poverty line, per capita income is low, government services and schemes are not reaching everyone, Businesses are confined to local and national level, Innovations are not encouraged, Financial transactions are delayed, Financial facilities are not able to reach many districts and states, There is lack of transparency in financial transactions. Tax evasion has been ours, so efforts are being made to digitalize the Indian economy.

PROBLMES OF DIGITALIZATION

Cyber security

India is still in the initial phase in developing cyber security and there is a lack of a well organized cyber law and institution due to which people hesitate to use digital medium.

Digital literacy

In India current literacy rate is 77.70 % and digital literacy is even less than that. Most of the people in India only know how to run Facebook, Instagram, WhatsApp in digital media and only some people know about online payment otherwise most of the people do not know how to use digital medium applications and websites.

Rigid habit and attitude

People in India for a long time used to verify all the work like banking, buying and selling, health services by going to that place and using cash in that which has become their habit. Digitalization is still in the initial phase, people do not have much knowledge about it, they are unaware of the advantages and disadvantages of its use.

Few Banks in village

In India many district and state still has less number of banks, there is lack of adequate banking facilities and there are not enough internet facilities. In such a situation, it may take a lot of time for those villages to use the digital medium.

Lack of infrastructure and required technology

24×7×365 power and internet will be required in digital India but 24×7 electricity is not available in India, internet speed is slow and don't have enough software, hardware, computer to operate internet etc.

Financial and Technical issue

The machines, computers, software and hardware which are required for successful implication of Digitalization are costly and to keep them in operational condition and to maintain in operating condition it's required experts and they also costly. So most of the people, retailer, business man etc. are not able to afford them.

High cost of internet

India's 27% population comes below the poverty line, per capita income of people is low and their income is also low and on the other hand the cost of internet is high and the cost of mobile is high, due to which most of the people are not afford it.

Lack of awareness

There is still a lack of awareness about the digital India campaign in India, people still have many misconceptions and beliefs due to which they have been hesitating to join the digital medium.

Issue of required language

India where there are 29 languages and more than 1500 dialects and people in India mostly have knowledge of local language but English is mostly used in digital medium. Due to which people face problem in understanding and using it. Also have to face slow Broadband internet speed India's internet speed situation is not correct, India's internet speed has ranked 69th in the world in February 2023 which is backward from many countries.

Fast changing technology

Technology is changing every day, new technologies are coming and the current technology is going out of trend. So Implementing change in a country like India will require a lot of expenses and time.

BENEFITS OF DIGITALIZATION

Less time and money

Using digital media for shopping, payment, money deposits, transfer, and withdrawal are being done easily and some discounts are also being received on this, due to which time and money are being save.

Decrease in Corruption

There is a record of every transaction done through digital media. due to which if someone collects more than the fixed limit, then information will be received.

Record of all transaction

In digital media. there is a record of all financial transactions that are done, which can be used as evidence, as a result of which illegal financial transactions and tax evasion are expected to decrease.

Printing cost

RBI has to spend a lots of money to print cash currency every year which includes paper cost, machine cost and labor cost, digital money does not invest all this and it is cheaper than paper currency.

Reduce maintenance cost

By having digital money, all the expenses that are incurred in paper currency can be prevented, such as the cost of storing currency, the cost of its security and the cost of transportation to reach banks, etc. Its can be stopped.

Eco-friendly environment

Digital economy encourages eco-friendly environment because lakhs of trees are cut every year to print paper currency to RBI which harms the environment and the cutting of these trees can be stopped by the practice of digital money.

Increase in Revenue

Due to the digitization of the economy, the information about all the financial transactions related to the business is easily available to the revenue department, due to which the tax collection increases and the payment of tax has also become easier through digital media , as a result of which the receipt of tax is increase .

Hygiene

Digital money is not touched when transactions happen, there is no chance of spreading any virus and infection, while cash currency transactions go from one hand to another, in which there is a risk of infection.

The Employment

Digital India vision is very big which has opened immense possibilities of employment because digital expert, software, hardware, building etc. in large quantity to need the entire economy.

CONCLUSION

Through digitalization, the economy will get wider opportunities for growth and socio-economic status of the people is also expected to change, government schemes and assistance will reach the majority of the population, new employment opportunities will be generated which will increase per capita income and the standard of living will also improve. India has provided the facility of UPI, Digital wallet, Aadhaar payment to make financial transactions cashless and Digi Locker, Mygov to make other works paperless. IN , Ehoshital, Bharat Net, Electronics decent Funds etc. Has started so that the economy can be made paperless. But India is a vast country and in order to make the entire economy digitalized or paperless economy some problems have to be solved which include lack of digital literacy, high cost of digital equipment (computer,phone,internet etc.) Lack of power supply,slow speed of internet etc. It is important that if these problems are allowed to be removed, then the Indian economy can move rapidly towards becoming a paperless economy.

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