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Digital Transformation: The impact of digitalization on Indian economy

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Abstract

The waves of adoption and usage of ICTs (information and communication technologies) have revolutionized our world by introducing distinct technology-enabled services in every sphere of our lives. There are various applications of ICT, digitization is one of them. Digitization is a process of converting the diverse forms of information, such as text, sound, image or voice into digitalized format. 1st July, 2015 is a day when an initiative was being taken by our honourable prime minister Narendra Modi towards "Making India Digital". The campaign aimed to connect rural areas with high speed internet network and to improve the digital literacy. The digitization has a proven impact on economy and society by reducing unemployment, improving quality of life and boosting access to knowledge and other public services. The process of digitization is marked by cost effectiveness to cut the cost that incurred in various knowledge practices related to production, organization and communication of information that makes long-term economic growth. The process of digitization facilitates to preserve, access and share an original document to the people worldwide that may only be available earlier to those who visit its physical location. This paper highlights the concept of digitalization along with the social, economic and ecological benefits of digitalization. The finding of the study will identify the obstacles in the execution of various programmes to make India financial literate and strategies to execute those policies effectively and efficiently.

Key words: Digital India, Digital Technology, e-kranti, e-Governance

Introduction

The digital India programme has been launched with the aim of transforming the country into a digital empowered society and knowledge economy. The digital India would ensure that government services are available to citizens electronically. It would also bring in public accountability through mandated delivery of government's services electronically, a unique ID and e-pramaan based on authentic and standard based interoperable and integrated government applications and data basis. In the present paper, I am talking about not between the rich and the poor but between the real economy and the digital economy. The crucial point is that the digital economy is growing exponentially faster than the real economy. Digitization – the mass adoption of connected digital services by consumers, enterprises and governments – has emerged in recent years as a key economic driver that accelerates growth and facilitates job creation. In the current environment of a sluggish global economy, digitization can play an important role in assisting policymakers to spur economic growth and employment.

However, the impact of digitization by country and by sector is uneven. Developed economies enjoy higher economic growth benefits by a factor of almost 25 percent, although they tend to lag behind emerging economies in the job creation by a similar margin. The main reason for the differing effects of digitization is the economic structures of developed and emerging economies. Policy makers can harness these varying effects of digitization through three main measures, which go beyond their current roles of setting policy and regulations. First, they should create digitization plans

for targeted sectors in which they wish to maximize the impact of digitization. Second, they should encourage the development of the necessary capabilities and enablers to achieve these digitization plans. Finally, policymakers should work in concert with industry, consumers and government agencies to establish an inclusive information and communication technologies (ICT) ecosystem that encourages greater uptake and usage of digital services.

It is a well known fact that digital India is the outcome of many innovations and technology advancements. These transform the lives of people in many ways and will empower the society in a better manner. 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 to 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 recognizing the benefits of being digitally sound and how useful it is. The “Digital India” programme will emerge new progressions in every sector and generates innovative endeavours for geNext. Our government has emphasized 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 Pradhan Mantri Jan Dhan Yojana operational.

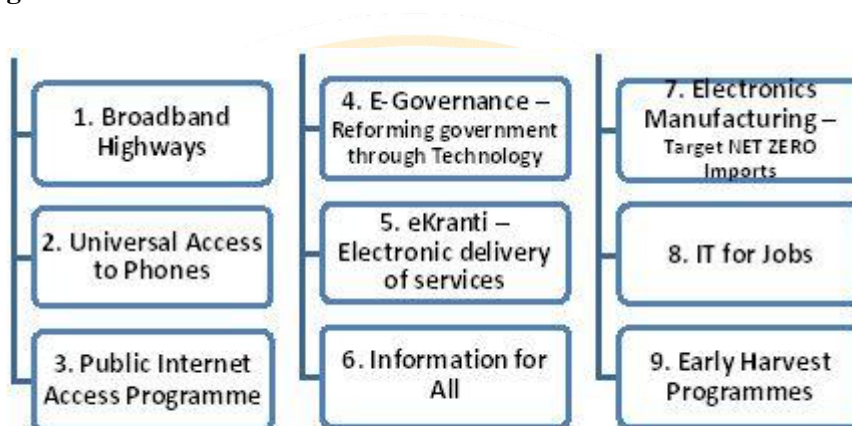
As rightly said by Rajat Gandhi on financial inclusion “No matter how many banks may open and how many boots you have on the ground, if the person does not know about the financial options open to him, policies, schemes and financial instruments will mean little. It is important for a person to know what to look for and only then think of the benefits that he can obtain from it.” Thus this makes the financial literacy all the more important. Financial inclusion is a quantitative term and financial literacy is more about quality. Financial literacy focuses on the understanding one should have to how to use and manage the money efficiently and reduce the risk and save their money from environmental changes such as changes in the economy, inflation etc. with the demonetization people have also realized how important it has become for them to know about their money and what affects it the most and how they can protect. During this phase digital awareness has also gained importance and people are also willing to learn the new modes available for them to manage their money in the cashless way. During this time the online payment options have helped people to survive the cash crunch they faced and have also become the driving force for digital literacy and financial literacy.

Objectives

1. To know how the technology and connectivity will come together to make an impact on all aspects of governance and improve the quality of life of citizens.
2. To find out how the government services can work effectively with practical solutions and innovative ideas to accomplish the vision of digital india-a reality.
3. To understand how every step taken towards financial literacy is affected by various factors.
4. To understand the requirement of financial literacy.



Nine Pillars of Digital India



Key projects of Digital India program:

1. **Digital locker system** aims to minimize the usage of physical documents and enable sharing of e-documents across agencies. The sharing of the e-documents will be done through registered repositories thereby ensuring the authenticity of the documents online
2. **MyGov.in** has been implemented as a platform for citizens engagement in governance, through a “Discuss”, “Do” and “Disseminate” approach. The mobile App for MyGov would bring these features to users on a mobile phone.
3. **Swachh Bharat Mission (SBM) Mobile app** would be used by people and government organization for achieving the goals of Swachh Bharat Mission.
4. **esign framework** would allow citizens to digitally sign a document online using Aadhaar authentication.
5. **Online registration system(ORS)** under the eHospital application has been introduced. This application provides important services such as online registration, payment of fees and appointment, online diagnostic reports, enquiring availability of blood online etc.
6. **National Scholarship Portal** is a one stop solution for end to end scholarship process right from submission of student application, verification, sanction and disbursal to end beneficiary for all the scholarship provided by the government of india.
7. DeitY has undertaken an initiative namely **Digitize india platform(DIP)** for large scale digitization of records in the country that would facilitate efficient delivery of services to the citizens.

8. The government of india has undertaken an initiative namely **Bharat Net**, a high speed digital highway to connect all 2.5 lakh Gram panchayats of country. This would be the world's largest rural broadband connectivity project using optical fibre.
9. BSNL has introduced **Next Generation Network(NGN)**, to replace 30 years old exchanges, which is an IP based technology to manage all types of services like voice, data, multimedia/video and other types of packet switched communication services.
10. BSNL has undertaken large scale deployment of Wi-Fi hotspots throughout the country. The user can latch on the BSNL Wi-Fi network through their mobile devices.
11. To deliver citizen services electronically and improve the way citizens and authorities transact with each other, it is imperative to have ubiquitous connectivity. The government also realizes this need as reflected by including ' **broadband highways**' as one of the pillars of digital india. While connectivity is one criterion, enabling and providing technologies to facilitate delivery of services to citizens forms the other.

Measuring Digitization

Booz & company's Digitization index is a composite score that calculates the level of a country's digitization using 23 indicators to measure the following six key attributes:

- **Ubiquity:** The extent to which consumers and enterprises have universal access to digital services and applications.
- **Affordability:** The extent to which digital services are priced in a range that makes them available to as many people as possible.
- **Reliability:** The quality of available digital services.
- **Speed:** The extent to which digital services can be accessed in real time.
- **Usability:** The ease of use of digital services and the ability of local ecosystems to boost the adoption of these services.
- **Skill:** The ability of users to incorporate digital services into their lives and businesses.

The digitization index measures a country's level of digitization on a scale of 0 to 100, with 100 signifying the most advanced, to identify its distinct stage of digital development: constrained, emerging, transitional, or advanced.

Economic Impacts of Digitization

The consequences of the developments in the technicalities of information and communication technology introduce the concept of digitization. The transformation from print to digital media for communication of information to the larger community is resulted from the growth of internet and now enables the tremendous amount of information accessible to everyone. By the process of digitization, Knowledge to an ever greater amount is being produced, processed, communicated and preserved digitally. The economics related to the concept of digitization is two-fold. The first one, how economic is the process of digitization? And second, its impact on the economy of the countries.

Throughout the world, ICTs continue to proliferate at breakneck speed, but their effects are uneven across countries and sectors. In late 2011, the number of mobile telephones in the united states exceeded the country's population. By early 2012, the number of mobile lines worldwide was more than 6 billion- nearly as many as the global population of around 7 billion. Internet penetration is not as deep, but with global internet access growing more than fivefold in recent years, and with increases

of more than 20-fold during the past decade in regions such as the middle east and Africa, a similar ubiquity may not be far off.

The program contains tasks that target to make sure that government services are available to people digitally and people get advantage of the newest information and connections technological innovation. Gandhiji felt that 'India resides in its villages', and technology will help the villages to grow and prosper. Digital libraries, online magazines, e-books can be made available for free which will further help in knowledge sharing. PM Modi rightly said in his speech in san jose, "I see technology as a means to empower and as a tool that bridges the distance between hope and opportunity. Social media is reducing social barriers. It connects people on the strength of human values, not identities." Technology is a bridge indeed, a bridge that connects the hope that india's villages will be educated and aware to the opportunity of internet and access to information from across the world. 'Digital India' is not just an initiative but a need for this country, where majority of population still does not have access to the world of internet. The digital india initiative seeks to lay emphasis on e-governance and transform india into a digitally empowered society. Digital india also aims to transform ease of doing business in the country. The department of electronics and information technology anticipates that the program will have a huge impact on the Ministry of communication and IT. The program is projected at Rs 1,13,000 crore which will prepare the country for knowledge-based transformation. It will focus on providing high speed internet services to its citizens and make services available in real times for both online and mobile platform. Modi's government is focusing on providing broadband services in all villages of the country, tele-medicine and mobile healthcare services and making the governance more participative.

Digitalization and GDP Growth:

Impact of digitalization on a country can be assessed on the basis of its impact on the government, on the economy and the society. We have seen a major change in every sector with the emergence of digitalization. The digitalization has created new job opportunities, have led to innovation in every sector and also led to the growth of the economy i.e. have helped in the GDP growth of the country. The government has emphasized on the digitalization as it brings transparency, better control, better job opportunities, it also provides an ease of access to the people and an upward movement in their quality of life. The study conducted by Booz and Company shows that the increase and effective utilization of digitalization can increase their GDP. They analysed that constrained economies realize a 0.5% increase in GDP per capita for every 10% increase in digitalization, while advanced digital economies show a 0.62% increase in GDP per capita for every 10% digitalization increase.

India is known as the powerhouse of the software industry and is in a leading position in global sourcing market but there is still a great deal of work to done for its digital India campaign. Digitalization will be helpful if it can reach the maximum people and for that each and every citizen of the country should be able to easily access the facilities for which they not only need to be connected to internet but also have digital literacy to be able to use facilities provided to them.

The divide between well-connected metropolitan hubs and remote rural areas is one of the main aims of digital India program. For this the central government is hopeful of achieving the complete roll out of broadband network across 2.5 lacs village Panchayats in the country by 2018 as per Bharat Net Program, which aims to provide broadband connectivity to all panchayats in the country, the panchayats will have an ecosystem that will further boost the connectivity and bridge the digital divide in the country. India has also started collaborating with various countries and business organizations (like Google, Cisco etc.) for speeding up its digitalization process by infrastructural

development, increasing access to internet and also started the transformation of cities to smart cities. This campaign also got some propellant in the form of free/cheapest 4G mobile data and cheapest Wi-Fi broadband for the customers. Company Reliance Jio Infocomm Limited (RJIL) a subsidiary of Reliance Industries gave push to internet usage by introducing ground smashing data pack rates, an initiation of the project by Reliance, the SIM was issued free of cost with 4GB 4G data just by submitting the Xerox copy of Aadhaar card and IMEI no of your 4G or LTE or VOLTE enabled handsets and after the end of march 2017 at a price lowest of all other service providers.

India's economy has witnessed a significant economic growth in the recent past by growing 7.11 per cent in 2016-17 as against 7.3 per cent in 2015-16. The steps taken by the government in recent times have shown positive results as india's gross domestic product (GDP) at factor cost at constant(2011-12) prices 2016-17 is Rs 12,165,481 crore as against Rs 11,357,529 crore in 2015-16, registering a growth rate of 7.11 per cent. This clearly shows that the digital india initiative introduced by Indian government has contributed a lot to boost the economy of the country. Also the service sectors will be digitally empowered. In the field of education, it also assures broadband connectivity in all panchayats, schools, libraries and other public places. Apart from broadband connectivity, every village is provided with universal phone connectivity across the country. The digital inclusion among the country ensures the manufacturing sector to revive the electronics manufacturing.

With the Make in India campaign and Digital india, the nation is planning to achieve net zero imports by 2020. This ensures the exports will be equal to the imports and this helps in the economic development of the nation. With the introduction of mobile connectivity in all villages, unique single portal can be maintained for all government related services. This ensures that all databases and information should be in electronic form and not manual. Next to crude oil, Electronics hardware companies major parts of imports in india. Since india is a service based country and till now we have focused only on software development, with the advent of digital india, with its stress on making india a manufacturing hub will change the trend.

World's leading research firm McKinsey has commented that the adoption of new technologies and innovative ideas across sectors by the Digital India Program will help India boost its GDP by \$550 billion to \$1 trillion by 2025. Thus the estimated impact of Digital india by 2019 would be cross cutting , ranging from broadband connectivity in all panchayats, Wi-Fi in schools and universities and public Wi-Fi hotspots.

It can play a key role in macro-economic factors such as GDP growth, employment generation, labor productivity, growth in number of businesses and revenue leakages for the government. As per the world bank report, a 10% increase in mobile and broadband penetration increases the per capita GDP by 0.81% and 1.38% respectively in the developing countries. India is the 2nd largest telecom market in the world with 915 million wireless subscribers and world's 3rd largest internet market with almost 259 million broadband users. There is still a huge economic opportunity in india as the Tele-density in rural india is only 45% where more than 65% of the population lives. Future growth of telecommunication industry in terms of number of subscribers is expected to come from rural areas as urban areas are saturated with a Tele-density of more than 160%.

The Digital India program is just the beginning of a digital revolution, once implemented properly it will open various new opportunities for the citizens.

Impacts on Employment

Technology is changing the world of work and reshaping labor markets. There are clear opportunities from digital jobs and wider use of digital tools. Governments, businesses and individuals can benefit today from new 'Digital jobs' and from the use of digital tools. However, technology also brings risks. Some jobs might also be digitized to varying extents, with some workers or part of their functions being replaced by technology. The ability to take advantages of opportunities will also vary among individuals; workers with higher levels of skills more likely to benefit, while those with lower skills might be less prepared and hence more exposed to risks of lower job quality and of job loss. Technology is also changing the nature of employment relationships, with implications for the risks individuals face. And there is the even larger risk of being left behind altogether.

Digitization creates jobs, with a 10 point increase in the digitization score leading to a 1.02 percent drop in the unemployment rate. This is 4.6 times greater than the effect that the widespread adoption of broadband has on reducing unemployment; broadband cuts the unemployment rate by just 0.22 percent. In 2011, digitization had the greatest employment effect in constrained and emerging digitized economies. East Asia, South Asia and Latin America received the most employment growth of all regions, with more than 4 million jobs created as a result of these regions digitization improvements. Conversely, digitization provided little employment growth in North America and Western Europe. These advanced stage economies probably realize fewer employment benefits because, as their digitization increases, their productivity improves; some jobs get replaced by technology; and lower-value-added, labor-intensive tasks go overseas to emerging markets where labor is cheaper.

By contrast, digitization has more significant employment effects in emerging markets for three main reasons. First, the digitization gain in some emerging regions is higher than it is in the advanced economies. Second, some of these regions have very large populations (e.g. china and india), which means that a marginal improvement in the unemployment rate leads to a large number of jobs. Finally, off shoring grows in tandem with digitization. As companies in digitally advanced countries improve their productivity thanks to digitization, they transfer jobs to digitally emerging economies.

The digital india project itself will create employment opportunities for 17 million people directly or indirectly which will help in fighting against unemployment problems in india. Government has planned to give IT training to 100 million students in smaller towns and villages as employment opportunities in IT sector is very high in india. In the next 5 years, india will emerge to be a leader in using IT in sectors like health, education, defence, agriculture and banking. The program will generate huge number of IT, Telecom and electronics jobs, both directly and indirectly. Success of this program will make india digitally empowered and the leader in usage of IT in delivery of services related to various domains such as health, education, agriculture, banking etc.

Social impacts of Digitization

One of the most interesting and important factors related to digitization is the link to overall social welfare. Digitization, as a social process, enables the institutions to generate, cooperate and create larger for the benefits and progress of the society through digital communications and applications.

The process of digitization involves the mass digitization of books and older and rare materials. For the purpose of preserving the knowledge contents for future generations or making them available to a much wider community than could ever access the physical objects, many of the

institutions (libraries and cultural archives) have started digitization initiative to provide access to the history of societies, countries, cultures and languages. According to Hughes(2003), more than a last three decades, cultural heritage institutions (libraries, archives and museums) have incorporated technology into all aspects of their mission and services. By digitization their resources, cultural heritage institution can make information accessible that was previously only available to a selected group of users for digitization, a number of libraries, archives, museums and publishers have been scanning their older documents and rare images for many years and catalogued and made them available through the World Wide Web.

However, the process of digitization is not only means of preservation of knowledge contents, but also protecting these delicate and rare originals documents from heavy wear and tear when presenting to a large community. By providing access to digitized item online, institutions enable the users all over the world to view the information at different time sequel or simultaneously. Also, the users no longer need to invest much time and money to visit the physical location for an item. According to Mulrenin and Geser(2001), this conversion of all types of valuable and cultural contents into bits and bytes gives rise to a new dimensions of reaching towards the vast audience making availability to valuable cultural resources in ways that were not possible in the past. Thus, users from all over the world are depending on the ease and speed of digital access for unearthing many new and rare resources, of which they never have any knowledge or found in print collections. Moreover, the digitization is facilitated awareness, research and promotion of both past and present culture and knowledge, also has a direct impact on overall happiness and satisfaction of the people that they get from the capacities and capabilities connecting with digital technology.

Social sectors such as education, healthcare and banking are unable to reach out to the citizens due to obstructions and limitations such as middleman, illiteracy, ignorance, poverty, lack of funds, information and investments. These challenges have led to an imbalanced growth in the rural and urban areas with marked differences in the economic and social status of the people in these areas. Modern ICT makes it 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 an enormous impact on the quality of life of the users and lead to social modernization.

The poor literacy rate in india is due to unavailability of physical infrastructure in rural and remote areas. This is where m-education services can play an important role by reaching remote masses. According to estimates, the digital literacy in india is just 6.5% and the internet penetration is 20.83 out of 100 population. The digital india project will be helpful in providing real-time education and partly address the challenge of lack of teachers in education system through smart and virtual classrooms. Education to farmers, fisher men can be provided through mobile devices. The high speed network can provide the adequate infrastructure for online education platforms like massive open online courses (MOOCs).

Mobile and internet banking can improve the financial inclusion in the country and can create win-win situation for all parties in the value-chain by creating an interoperable ecosystem and revenue sharing models. Telecom operators get additional revenue streams while the banks can reach new customer groups incurring lowest possible costs. Factors such as burgeoning population, poor doctor patient ratio (1:870), high infant mortality rate, increasing life expectancy, fewer quality physicians and a majority of the population lying in remote villages, support and justify the need for tele medicine in the country. M-health can promote innovation and enhance the reach of healthcare services. Digital platforms can help farmers in Know-how (crop choice, seed variety), context (

weather, plant protection, cultivation best practices) and market information (market prices, market demand, logistics).

Ecological impacts of digitization

The major changes in the technology space will not only brought changes to the economic system but will also contribute to environmental changes. The next generation technologies will help in lowering the carbon footprint by reducing fuel consumption, waste management, greener workplaces and thus leading to a greener ecosystem. The ICT sector helps in efficient management and usage of scarce and non-renewable resources. Cloud computing technology minimizes carbon emissions by improving mobility and flexibility. The energy consumption can be decreased from 201.8 terawatt hour (Twh) in 2010 to 139.8 Twh in 2020 by higher adoption of cloud data centers causing a 28% reduction in carbon footprint from 2010 levels.

During the last few decades, healthy living has become the major concern of society. There has been an increased focus on health related matters. This has led to more people exercising, eating right and using things like cars and power strips less and other techniques to benefit the environment. The initiative has resulted in individuals taking a closer look at the environment and examining their part in making the “Earth” more sustainable for years to come.

As this trend spreads, the sentiment is now being felt at organizations and institutions. Some innovative employees have spearheaded campaigns for workers to use less power by shutting down machines at night, paying more attention to reusing coffee and water cups and numerous other things such as going paperless i.e. digitization is also one of the way to protect and save environment. Little-by-little, these factors can help the earth to become ecologically sustained. The Idatix (n.d.) in its white paper illustrates some data about the adverse effects of using paper. The data as follows:

“The paper industry is the third greatest contributor to global warming emissions. One ream of paper can generates 18.5 pounds of carbon, excluding transportation and shipping at a direct cost of \$4 per ream. With the average worker consuming some 10,000 to 12,000 sheets of paper per year, a department of 20 employees is generating over 8,800 pounds of carbon for paper consumption alone.”

Condon (2013) describes the news given by Whistler about the positive effects of paperless billing on environment as “when companies embrace paperless billing – not even entirely digitizing – a numerous environmental benefits can be seen. Invoices between business partners, as well as those sent as bills to clients, can be shared online, eliminating countless reams of paper that would otherwise be used.”

There are many other **ecological benefits** of digitization:

- Cutting tie with paper will permit an organization to transition to make their operations more environmental friendly.
- Saving paper equates to saving trees and using less overall supplies, which could position organization ahead of its competitors in terms of positive user sentiment.
- With digital documents and a document solutions program, organization will no longer have to worry about using hours or even days of time looking for lost documents. Instead, everything will be available instantly via a computer search.
- Digitization can help organization to take advantage of new technologies and allow staff to access records in any location it turns help in making ecological sustainable society as the person does not use vehicle to go here and there and it controls pollution.

Digitalization and Demonetization:

Digitalization is a boon and needs to be utilized properly with the recent case of demonetization. we can assess that it has helped people during the demonetization from Nov. 8, 2016 to Dec. 31, 2016 when the country faced cash crunch, when Rs. 500 and Rs. 1000 notes were scraped and new currency was circulated in replacement of old notes. This step not only shook the tax evaders but also pushed India to become more digitally sound country and has also highlighted the benefits and need to go cashless (or have a less cash based economy). Demonetization has also increased the transactions from mobile wallet and digital payment channels. Paytm said it hit a record of 5-million transactions a day, processing Rs. 24,000 crore worth of payments, less than a week into the Indian government's decision to demonetize Rs. 500 and Rs. 1000 notes making it the largest digital payments company in the country. It may be seen as a temporary phase but the ease of access and availability has made more of a good alternative than the paper or plastic money. With the adaptation of technology in the banking sector more and more transparency came in the flow of money in the economy.

Pradhan mantri Jan Dhan Yojana gave push to financial inclusion that everyone whether from urban area or from rural area should have a account so that everyone is connected in the economy and demonetization led to the operationalization of Jan Dhan accounts which were opened under the scheme. It also had multiple benefits like people who did not had the identity proofs registered themselves for Aadhar card and other identity proofs and will also help in direct transfer of benefits to the concerned person. Digitalization in this situation helped to have a virtual access to the money and with the concept of e-kranti in the banking sector it will become easier for the people to avail the financial services provided by them. Having a bank account is not only matter of concern but also having the knowledge that how their money gets affected by economic situation of the country and various other factors for having a control over their finance is also important. When people are financially literate, they are more likely to explore the products and services offered by banks and use them for their benefits. This accelerates the pace of financial inclusion, where everyone can access the basic banking facilities rather than relying on the orthodox system of money market such as borrowing money from money lenders on illogical interest rates. Financial inclusion and financial literacy are two essential ingredients of an efficient economy. Thus financial literacy is what also needs the attention of the masses and with all the latest advances happening around, it is becoming a matter of prime concern. Financial education is "The process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instructions and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to make other effective actions to improve their financial well-being.

The financial literacy level majorly depends upon the education and income of the individuals; the social factors like family size, family background, age, regions, nature of employment have a little impact on this. With the digitalization there is an ease of access to the money as the banking system has evolved with the time and provides the customer with different facilities like online payment of their monthly expenses such as electricity bills, payment of premiums etc. with all this growth and development people need to aware about the problems associated with digitalization of finances.

Highlights of the progress in digital India

- More than 12000 rural post office branches have been linked digitally and soon payment banking would also become a reality for them.

- The government also plans to make 'digital village' across the country, by linking all schemes with technology. The 'digital village' would be powered by LED lighting, solar energy, skill development centres and e-services like e-education and e-health.
- Electronic transactions related to e-governance projects in the country have almost doubled in 2015, owing to the digital india program. According to government websites electronic transaction aggregation and analysis layer 3.53 billion transactions took place in 2014, which almost doubled in 2015 to 6.95 billion.
- The progressive policies and aggressive focus on 'Make in india' played a significant role in the resurgence of the electronics manufacturing sector.

Obstacles in the process of digitalization

- The resistance to change people show during emergence of new technology.
- Building trust among the people for change is difficult.
- Lack of knowledge about its use and benefits.
- Infrastructure requirements and their unavailability also hamper the reaching of these basic facilities to the people.
- The basic hindrance is the lack of literacy and literacy is not just to be able to write ones name and do the signature but to have an understanding of the changes going in the technology,

Recommendations

- The initiative took by the government can only be successful if people get involved in the transformation. The schools and colleges can create awareness among the people of their locality about the initiatives and imparting knowledge to the people.
- For doing so they also need to have the knowledge about the program and how to use the facilities provided by the government.
- Community centres can be formed where people who are more literate about the issues can help the other people and experts can visit them to give the guidance from time to time.
- Organizations can guide their employees and make them literate regarding the financial aspects.
- RBI and SEBI have already taken many steps to create awareness among the people about the importance of financial literacy and also provided the online modules for financial literacy on their websites.
- People should be imparted with the knowledge of factors which affect their savings and how they can maximize their savings or the facilities available for them to help them to do so.
- People should also be made aware about the security of their personal information regarding their accounts and online frauds.
- The banking system must also be made robust as people need to trust the system before they go with the technological advancement.

Conclusion

**"People who change after change will survive
People who change with change will succeed
People who cause the change will lead"**

-Narendra Modi-

This quote of prime minister is very important in this context. This show the determination and a political will to change the entire structure of the economy and to build cashless india.

Demonetization may hit the GDP growth of the country but the results will be providing in the long run.

The digitalization brings innovation, ease of working, new job opportunities and growth in the economy. It helps to bring transparency in the system and more transparent are the flow of funds in the economy, less is the problem of tax evasion, parallel economy etc. But with all these benefits available it also makes it necessary for the people to have basic financial knowledge and a push towards the importance towards financial literacy. With the help of which they can protect their money in situations like inflation, depression, and know about different financial products and services to save it for their better future. Digitalization can also play an important role in achievement of this goal as it can have a greater reach to the people. By this we can reach on a conclusion that the new technology needs to be harnessed well and for this it is not only the availability but also the knowledge to use it and get benefits from it.

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