**India's Digital Economy**

1) **Introduction**
   - Digital Economy refers to the full range of economic, social and cultural activities supported by the Internet and related information and communications technologies.
   - Some experts regard it as the third industrial revolution.
   - Some people consider the digital economy as a major growth enabler.
   - Digital payments, Make In India, Start-Up India, Skill India are among the key drivers of the digital economy.

2) **Opportunities in India**
   - Digital economy has the power to change the lives of millions of people in India.
   - In the next three years, India will add more than 300 million new mobile subscribers.
   - By 2025, it is highly likely that India will be the largest mobile market in the world.
   - India is developing a “mobile-first” digital culture, with smartphones fuelling a boom in e-commerce and other forms of business.
   - With a rapidly growing middle class, and a young, tech-savvy population, online personal services are about to take a big jump.
   - International companies are looking to increase their investment in India’s digital economy.
   - Improved telecom infrastructure as well as affordable smartphones now gives the opportunity to benefit from services such as banking and retail.
   - According to industry experts, India has the potential to grow to USD 2 to 3 to 4 trillion digital economy by 2022.
   - Digital economy has the potential to generate huge employment opportunities.
   - Digital skilling has lot of potential as India has rich talent pool that can be used to meet global demand.

3) **International Examples**
   - Estonia is now Europe’s digital leader.
   - The country has succeeded in building high-tech infrastructure, and a regulatory culture that encouraged new digital competition.
   - However there are some countries in Europe that have protected markets from digitization because of fear of new competition.
   - But that misconception has blocked the economic renewal in many European countries.
   - India should adopt policies that serve the interest of the entire economy and avoid repeating the mistakes of some European countries.

4) **Concerns / Challenges**
   - Key challenge is unequal access to the internet.
   - The gender gap in mobile ownership.
   - Mumbai and Delhi still rank behind Jakarta and Manila in the most networked cities in the world.
   - Cyber security is a serious challenge. Cyber crimes and cyber terrorism has grown more rampant.
   - Service charges remain a challenge for people at the bottom of the digital pyramid.
Uninterrupted access to power is essential. However, around 22% of rural households across the country still do not have access to electricity.

A recent study shows that 19% of the Indian population remains unbanked or financially excluded.

5) **Way Forward**
- Digital revolution must include communities and regions that were previously not part of information and communication technology (ICT) advancement.
- Sectors must be opened to new digital business models through reductions in regulatory restrictiveness.
- For countries to reap the digital dividend, there must be space for new digital competition, experimentation and entrepreneurship.
- Removing red tape that burdens digital entrepreneurs with unnecessary costs.
- Technological innovation is a boon for India, the only thing that matters is how much it is allowed to change the economy.
- Government must formulate new electronics policy, software product policy and a framework for data security and protection.
- The focus needs to be on creating technology that is affordable, developmental and digitally inclusive.
- The idea of setting up special innovative zones for start-ups must be explored.
- Ensure simpler tax compliance regime in order to further India's Global ranking in ease of doing business.
- The need for internet and mobile application training aimed at less educated and the low-income groups.

6) **Conclusion**
- The digital economy could be an important vehicle for change and could dramatically expand India's role and influence in the global economy and become a powerhouse of digital innovation.