



Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

India's Focus on Digital Infrastructure

Introduction

- Infrastructure investment in digital technology combined with the expansion of low-cost smartphones has enabled millions of Indians to connect to the internet for the first time.
- The number of enterprises and households that now have access to a computer has increased dramatically, and internet consumption is growing in double digits.
- This digital transformation has been accompanied by a growing wave of technological entrepreneurship.

Present Status

- Asia has taken the lead in technological entrepreneurship.
- More than 90% of the world's smartphones are made in Asia.
- Four of the world's top-10 technology companies by market capitalisation are in Asia.
- While India still lags behind China, it is ahead of European countries, in terms of mobile and fixed broadband performance.

Digital transformation for Development

- Digital transformation is now changing the landscape for development.
- The number of services that can be transported digitally is constantly expanding—banking, insurance claims, call centres, compiling audits, completing tax returns, and much more.
- Patients at home are now able to speak with their doctors and students can access high-quality education via virtual classrooms.
- Jobs and labour matching are now increasingly done online.

- Services are now growing much faster than the manufacturing sector.
- Growth convergence between India and the developed world is now much faster in the services sector compared to the manufacturing sector.

Technology and new spatial trends

- India has experienced several new spatial development trends.
- In the manufacturing sector, the formal and organised sector has begun to make the transition out of urban areas and towards rural locations within districts.
- In contrast, the informal or unorganised sector is still transitioning towards urban areas.
- Urbanisation is helping the informal sector. Technology in making informal sector more tradable.
- Low-tech services have grown exponentially in large cities.

Concerns / Challenges

- India's digital transformation represents both a challenge and an opportunity.
- Private sector participation in infrastructure projects has collapsed recently, with investment dropping by more than 50% in 2019.
- Like many other sectors, infrastructure was brought to a near standstill by Covid-19.
- In today's globalised world, falling behind technologically carries major costs.

Way Forward

- If the promises of digitalisation are to be fulfilled, the world will need to align financing and investment strategies.
- This requires active participation of the policymakers, the World Bank, the International Monetary Fund, and the United Nations.
- India has the advantage of demographic dividend and a youth bulge, while the working age population in advanced countries is declining.
- In addition, India alone produced more than 70% of the world's science, technology, engineering and mathematics (STEM) graduates between 2016 and 2018.
- By scaling up investments in human and physical digital infrastructure, and increased collaboration with local and global entrepreneurs, India can easily expand its role in the growing global market for digital information-technology services.