

Role of Information Technology in Shaping National Economy

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ABSTRACT

India's economy is as diversified as it is huge, with manufacturing industries, agriculture, textiles and handicrafts, and services among its major sectors. Agriculture is an important part of the Indian economy, with almost 66 percent of the population relying on it for a living. The service industry, on the other hand, is rapidly developing and has begun to play an increasingly important role. Because India's Indian-speaking population is expanding by the day, it has become a centre for outsourcing activities for some of the world's most powerful economies, like the United Kingdom and the United States. Technical assistance and customer service have been the most common areas of outsourcing to India.

Keywords— Information Technology (IT), Economy, ERP

I. INTRODUCTION

Recent trends have seen India exporting the services of a numerous information technology (IT) professionals. IT professionals have been sought for their expertise in software, software engineering and other financial services. This has been possible as a result of the high skill levels of Indian IT professionals.

The information technology (IT) industry has become of the most robust industries in the world. IT, more than any other industry or economic facet, has an increased productivity, particularly in the developed world, and therefore is a key driver of global economic growth. Economies of scale and insatiable demand from both consumers and enterprises characterize this rapidly growing sector.

In India's economy, information technology is a rapidly growing sector. During the previous ten years, the size of this industry has grown at a phenomenal rate. India's information technology industry has been instrumental in putting the country on the global map. India is becoming a force to be reckoned with, thanks to the development of the IT industry. According to the apex body for software services in India, the National Association of Software and Service Companies (NASSCOM), IT software and services such as Custom Application Development and Maintenance (CADM), System Integration, IT Consulting, Application Management, Infrastructure Management Services, Software testing, Service-oriented architecture, and Web

services dominate India's IT growth throughout the world.

The IT industry's overall success in India has managed to flow over into other businesses to some extent. The success of India's software industry may be due in large part to the government's and industry's strong collaboration. The Government of India, impressed by the Indian software industry's remarkable performance, has offered all necessary support, including tax breaks, access to high-speed data connections and infrastructure, and a system that is practically devoid of red tape. In reality, the government has given lavish treatment to this industry. Trade free zones, software technology park programmes, zero import tariff on software, and a 100 percent tax exemption on earnings from software exports are among the fiscal perks. Fortunately for India, the "reverse brain drain" phenomenon is strengthening its workforce with people with diversified foreign experience, cutting-edge technical knowledge, management abilities, and much more. This has made it easier for multinational corporations to establish back offices in India.

Government administrations, Insurance, Banks, Energy, Financial Institutions, Defense, Public Tax System, Ports, Customs, Telecom, Education, and Small Office Home Office / Individuals are the primary sectors that are seeing a special push for IT adoption. The government and corporate sector are encouraging large industries with low IT penetration rates, such as the textile industry and healthcare, to use IT. ERP implementations and system integration are still at the forefront of India's IT development.

In the country today, approximately 60% of the population is using Internet. The number of active Internet businesses has increased tremendously.

India boasts the world's second-largest population of English-speaking scientists, second only to the United States. India is home to over 5 million technical workers and 9560 educational institutions and polytechnics that annually train high number of computer software specialists. For international customers, the vast pool of skilled labour is a big allure.

For organisations wishing to outsource their IT and back-office activities, India remains the most popular choice. When examined in conjunction with the business climate it provides and the availability of skilled personnel, it keeps its low-cost edge and is among the most financially appealing destinations.

Government has taken lots of Initiatives for this. The National Taskforce on Information Technology and Software Development was established by the government with the goal of developing a long-term national IT policy for the country.

The Information Technology Act was signed into law, providing a legal framework to facilitate internet business and transactions. The government-led National e-Governance Programme has aided in the expansion of internet access in rural India.

II. THE JOURNEY CONTINUES

The Indian information technology sector is one of the bright spots in the Indian economy, with tremendous growth and promising prospects. As new opportunities develop in areas such as public sector and healthcare, and as countries such as BRIC and Japan choose for greater outsourcing, the export and domestic markets are expected to bring in huge revenue.

In terms of our approach at a mass level, information technology has advanced tremendously. It opens up a number of doors and introduces a number of hazards, all of which should be carefully considered. The world's whole economy is heavily reliant on technical growth. This intensified competitiveness in every market segment. One of the most essential aspects is that consumers are increasingly purchasing consumer durables not only once, but frequently, with the majority of them replacing the previous product within a short period of time. Technological advancement, particularly in the information business, necessitates significant capital investment, a complex environment, and an increase in dynamic risk.

The term "dynamic risk" refers to the likelihood of financial loss as a result of changes in the environment. It necessitates initial investment in terms of installation, maintenance, and eventual replacement. It includes the cost of capital equipment as well as salary provided to personnel involved at each stage, which is a revenue expense. Depreciation must be used to absorb capital investment over a set period of time. Similarly, revenue expenditure includes some cost of capital, which is provided by the owner's own or borrowed resources. The annual income statements include depreciation and

all revenue expenditures. Above-mentioned cost concerns are quite important in the adoption of new technologies.

Last but not least the tendency to adopt new technology is a very typical psychological tension of mind. With a great pressure one become ready to adopt new technology if he has no choice, otherwise the general tendency is to cope with the old technology or work with old technology for which people are habitual. So, the adoption of new technology is also difficult.

III. CONCLUSION

All in all, the development of new information technology should be welcomed because it is the need of the hour. And all of us should prepare ourselves to make it easier for us and should use it in ethical ways then only we would be able to survive in the global market.

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