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IMPACT OF TECHNOLOGY ON INDIAN ECONOMY

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Abstract - *Technology is a sort of innovation which is rapidly changing and is continuously affecting the country's economy in one or some other way. The GDP contribution of various Indian economic sectors has been changed a lot since independence. During independence primary sector had the largest contribution which is now replaced by the service or tertiary sector. Primary sector which majorly consists of agricultural sector has undergone and is undergoing technological changes but the productivity has not increased as per the expected level. The main reason behind this is the high illiteracy level among the farmers. Similarly automation in the secondary sector has made a huge loss to the unskilled laborers. The major change which the Indian economy witnesses is its servicization. With over 460 million internet users, India is the second largest online market, ranked only behind China. As a result e-commerce is now the fastest growing market in India.*

Key Words: (Size 10 & Bold) Key word1, Key word2, Key word3, etc (Minimum 5 to 8 key words)…

1. INTRODUCTION

There is tremendous effect on technology on all the sectors.

Indian economy is classified into three sectors – primary, secondary and tertiary sector. Post independence Indian economy was mainly dependant on the agricultural sector which contributed around 51.9% in GDP at that time and it is 17.1%. But gradually the other sectors also came in the limelight.

The secondary sector of Indian economy is dominated by manufacturing sectors. According to statistics, in India (2017-18) the industrial sector contributes 29.1% in GDP out of which manufacturing sector has a share of 16.7% (source: central statistics office).

Modern technology in the various sector is labor saving. It is often termed as Automation. Automation occurs when a machine does work that might previously have been done by a person. Here the work refers to both physical as well as mental work that might be replaced by Artificial Intelligence.

The arrival of various tools and technology like autopilot tractor, crop sensor, biotechnology, uses of mobile technology and camera etc has been proved as a boon in the agricultural sector.

Further Manufacturing sector is known to create a large pool for both skilled and unskilled laborers. The automation has its direct effect on the number of jobs created by these industries for the unskilled laborers. According to World Bank data, 69% of today's jobs in India are threatened by automation.

The new emerging sector in developing country like India is tertiary sector which provides different services to business as well as consumers.

With the advancement of technology in the developing country like India e- commerce acts as a catalyst for small scale enterprises to expand their business globally, also created a heavy customer base. With over 460 million internet users, India is the second largest online market, ranked only behind China.

In the service sector e-commerce is the fastest growing market. It can be signified by the frequent uses of services provided by the apps like Flipkart, paytm, oyo rooms, goibibo etc.

The share of various sectors (including manufacturing and services sector) in Gross Value Added (GVA) during last three years is given in the table below.

Share of sectors in GVA at current prices (per cent)			
Sector	2015-16 (2nd RE)	2016-17 (1st RE)	2017-18 (PE)
Agriculture, forestry & fishing	17.7	17.9	17.1
Industry	29.8	29.3	29.1
(Of which) Manufacturing	16.8	16.8	16.7
Services	52.5	52.8	53.9

This research focuses on how the upcoming techniques in existing technology in the

(1)Primary sector has led to better management practices and increased productivity.

(2)Manufacturing sector has brought major changes and what was its effect on the number of jobs created by this sector.

(3) Effect of e- commerce on small scale enterprises

2. LITERATURE SURVEY

Literature review was carried out throughout whole project to gain knowledge and skills needed to make this project. In paper

[1] T.P. Bhat (2014) has concluded that manufacturing sector is facing stagnation because it is contributing a similar percentage of 14 to 16 percentage in Indian GDP since many years. According to him since 2007 growth in the manufacturing sector is declining. The reasons behind this are usage of basic technology, low R&D expenditure and depressed investment climate. This can be impoverished by development of infrastructure, better access to land, and application of new technology, education, skill development and fostering innovation.

[2] K V Ramaswamy (2017) in his paper founded that increased use of technology or automation will decrease the jobs of low skilled workers but there will be a new job opportunities for workers with new specializations within occupation. Overall, there will be no employment loss but only the type of job will change.

[3] Radhicka Kapoor (2014) examined that different Indian states shows differences in performance of creation of employment opportunities in manufacturing sector. Inspite of developing technologies labor laws of different states has an equal effect on the job creation. The states with more inflexible labour regulations have slower growth of employment than states with more flexible labour market regulations.

[4]Kumar, Fayaz, kapoor (2018) analyzed the present trend of e commerce in India. With increase in the number of internet and smart phone users have added to significant rise in the e-commerce .moreover government initiatives schemes has also contributed to the growth of e commerce.

[5] Puthiran, (2016) study the impact of ecommerce on Indian economy and also studied the growth and contribution of e commerce. He concluded that ecommerce play an important role in growth of Indian economy, making it a leading economic superpower. It is a boon for retailers to expand their business .For this there should be investment in infrastructure and people should come up with new innovative ideas or business models.

[6] Dahiya (2017) concluded that online shopping which is a part of e- commerce is a convenient platform for the customers to make purchases because profits various advantages from attractive pictures and information to low cost and delivery of customized product .But on the other hand offline retailers are badly affected as they have to lower their profit margin moreover creating a website require lot of money.

3. CONCLUSIONS

Agriculture is now gifted with many technologies and machinery. Some of them are documentation of field via GPS, ultrasounds for livestock, crop sensors, biotechnology etc. undoubtedly these helped the farmers to increase their productivity and had made their work easy. But the production rate is slow. Still in India, the agricultural sector provides nearly 50% employments but its contribution in GDP is continuously decreasing. According to various data the contribution of this sector has tremendously decreased from 51% year 1950-51 to 17.1% in the year 2017-18. This sector is continuously losing its dynamism. Some of the reasons behind this are

1. Illiteracy of farmers
2. Unawareness of technology
3. Climate change challenge in India
4. Unsustainable water usage
5. Unstable government

SECONDARY SECTOR

Technology in the manufacturing sector has actually eased the process of production through mechanization of task, which was earlier performed by humans. Automation helps to improve competitiveness, quality and efficiency. That helps compete against cheap imports, boost exports and increases domestic demand. According to a survey by WILLS TOWERS WATSON companies, INDIA expects the use of automation in the workplace to increase from the current 14% to 27% in three years which is higher than the global and APAC average. Technology has helped the company to raise its bar of accuracy and efficiency. Obviously automation is bringing opportunities for highly skilled employees but it is also proving a threat for lower or middle level jobs. According to World Bank data proportion of jobs threatened by automation in India is 69.9% year on year, this means that in a year 7 out of 10 jobs will face the heat of automation.

TERTIARY SECTOR

Around 43% small scale enterprises are involved in online transactions of goods. More and more retailers are getting linked with online platform for selling their products across various geographical locations.

Topmost e-commerce sites like amazon, flipkart, oyo rooms etc have facilitated the small scale enterprises to sell their products globally. It has been ascertained that around 98 % of the Small scale enterprises who use Information Technology and e-commerce contribute to the total exports of the country while only 11% of the traditional SMEs are contributing towards the total export values.

Inspite of these developments there is still a large number of small scale enterprises which hesitates to go online. Government is taking initiatives such as Make in India, Digital India and Skill India to encourage small scale enterprises to go online.

The reasons why SMEs lack behind in adopting e- commerce are listed below-

1. Lack of information technology skills among retailers.

2. Trust issues.

3. Lack of internet security

4. RECOMMENDATIONS

1) Increase in the number of Institutes like IITs so that more number of students can get proper skill sets.

(2) Updation of university syllabus as per the new requirements.

(3) More Inclination towards applied knowledge rather than the theoretical.

(4) Increase in number of similar government initiatives like National Skill Development Mission.

(5)Retailers should be encouraged through proper teaching and giving training on how they can provide online platform to their enterprise.

(6) Government must strengthen Cyber security

(7) By making aware about the benefits of using e-commerce platform for their firm and its proper handling interest can be generated among small businessman..

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