

AN APPROACH TOWARDS 5 TRILLION INDIAN ECONOMIES IN CONCERN TO THE DIGITAL INDIA

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ABSTRACT

Government's proposal is to move in the direction for digital India with less cash market and accomplishment of GDP worth \$ 5 trillion economy in next 5 years is the determined plan that India is heading with. Consequential to demonetization in November 2016 there was enormous crusade for cashless deals. The Digital India began in July 2015 mostly directing on three areas digital communications and empowerment, business governance and provide to services on command. Even though there is lots of development in digital and cashless transaction, that will facilitate to progress the GDP to attain \$ 5 trillion mark by 2025 need to be estimate. In this article, every effort is made to see how cashless transaction and digital initiatives have moved forward and will all of these help in enhance the GDP of India towards \$5 trillion economy. The present study will also give attention to the existing India's GDP level with other top 20 economies of the world.

Keywords: Cashless transaction, digital deal, demonetization, GDP of India, digital India.

INTRODUCTION

Digital India is the forerunner proposal which established in July 2015 by Government of India with a goal to turn about India into knowledge and sanction Society. The task of digital and cashless market added drive with the declaration of demonetization in November 2016. India is fundamentally cash based market. As claimed by statistics about 90% of our work force is from unsystematic sector mostly being paid their revenue in cash. The rate of cash to GDP in India is all over 12% in compare to other large developed countries in which cash to GDP ratio is around 5%. As per 2015 statistics, about 78% expenses made in India were in cash comparing to the developed countries like the US which were rating at 20% and in UK it was at 25%.

MAIN IDEA TO SUPPORT CASHLESS ECONOMY

Cashless economy totally decreases the cash flow in the economy. Payment made by the method of bank transfer, debit cards, credit cards, or virtual wallets etc. are the many ways of cashless transmit. Cashless economy can cut down the rate of black money and corruption in the country. Today low-income families get credit via different casual systems like private lender. By changing them to cashless payment mode it will help us to standardize this category also in the proper economy. Cashless transactions move the country against crime free economy. In the developed countries like US the crime ratio cut down by around 10% when all the

social security systems were dispatched through electronic transfer. The Government nevertheless, has to have absolute control on all the online and cyber scam. The Cashless market allows us to track all the financial payments there by growing the tax base in the country. When a country is moving in the direction of cashless market, the country can anticipate enhancement in the economic growth thus amplification in the GDP. In the well economy country like US, card usage has aided in growing the expenditure by \$296 billion from 2011 to 2015 in this manner providing to the boost in the GDP. If people spend extra, job creation raise in so doing decreases unemployment.

As we move in the direction of cashless market Government has to take sufficient care to guard payment system from cyber-attacks.

IS INDIAN ECONOMY READY TO BECOME CASHLESS MARKET

- As per TRAI around 82% Citizen own mobile phone as on September 2016.
- Government of India is intriguing all steps to move in the direction for cashless market. Some of such proposals were transfer of direct Government cash benefits, BHIM, demonetization etc.
- For encouraging cashless economy Government ran the Digidhan Campaign.
- To bring in behavioral transformation amid the citizens referral and cash back system were set up for BHIM users and merchants.
- After demonetization, there were 100%: growth day after day in client accession with primary mobile wallets.
- After demonetization more than 30% raise in the usage of app and about 50% increase in the download of apps was seen.
- India is witnessing an immense revolution in e-commerce and app based behavior. The cab and food company are stirring up the users to make digital payment for their different services.

We will be able to see less use of cash and more of cashless transaction taking place in the forthcoming years in India.

DIGITAL INDIA SCHEME

This scheme intends to move India into digitally powerful market. This scheme has altered the digital outline of India. As per the research carried out by Mckinsey and Company has discovered that

- India is in the 2nd highest of digital acceptance among 17 established and developing economies.
- Public digital proposals like UPI, Aadhar etc have encouraged us to accept digital podium faster.

The report also has recognized 30 digital topics in nine main areas and if the equivalent is hasten it will assist us to produce \$1 trillion in economic value by 2025. India has seen large scale digital alteration from 2013 to 2019.

India's digital objective is generally classified into 3 Digital aims being foundation, accomplishment and worth for India's aim at being a digital industrial unit of the world.

The thirty ideas of digitalization in the below broad areas will make possible for India to attain \$ 1 trillion by 2025:

Table – 1: Initiatives by the Government:*

Particulars	2013-14	2019-2020
Aadhar- Unique biometric	520 million	1.89 billion
Aadhar linked bank account	56.8 million	893 million
e-Government transactions	7.2 million	99 million
Common services center's providing e-services	74,000	2,97,845 (As on April 2020)
Aadhar authenticate transactions	279 million	2.89 billion

Table – 2: Initiatives by different Business:*

Particulars	2013	2020
Internet subscribers	238.8 million	585 million
Social media users	92 million	301 million
Whatsapp users	31 million	295 million
e-commerce users	42 million	186.9 million
Digital payment transactions via (wallet, online banking, credit and debit card, POS)	2.6 billion	26.4 billion

1. Improvement in IT Infrastructure and software capacity – re skilling the employees and tough cyber security laws.
2. E-governance for the future – Government E-market place to be accepted by all Governmental departments. Direct shift of Government profits to get rid of incompetence.
3. Health care profit for all the citizens of India.
4. Quality education – in the course of online learning, constant assessment system and well knowledgeable support system with competent teacher.
5. Vigor to all the citizen of India – Enhancement of renewable energy with digital technology and network mechanization.
6. Moving in the direction for next generation Financial aid– Digital payment system all from government, business and consumer thus allowing association towards cashless market.
7. Doubling-up profits for the farmers –Purchasing on wholesale market, accuracy agriculture, digital farming and indemnity pay-out.
8. Skill progress and Job for the future – Venture by Business Process Outsourcing commerce in small area /town and in semi-urban India. Upgrading the quality of education in partnership with industry all this will allow skill improvement and more jobs in future.
9. End to end e-enabled trade across producers, SMEs, wholesaler and retailers. Increase in production and exports with subject of make all items in India, make for all Indians and make Indian product for the world.

Table – 3: As per 2019 data, India is the second fastest digital adopter among 17 digital economies

Country	Digital Index Adoption Score ranging (0-100) In 2019	Percentage growth from 2014 to 2019- In digital adoption index
South Korea	76	32
Sweden	74	28
United Kingdom	68	31
Singapore	68	25
United States	67	31
Australia	67	26
Canada	66	26
Russia	65	45
Japan	65	44
Germany	62	45
France	59	36
Italy	58	37
Brazil	51	31
China	48	46
Indonesia	41	99
South Africa	41	36
India	33	91

India's growth rate has been high over the three restriction of digital index. A strong telecom and technology foundation is very serious and significant for budding up Indian economy.

GDP\$ 5 TRILLION INDIA ECONOMY BY 2024 WAY AHEAD

Indian economy is stirring in the right direction India's supposed GDP in 1996 was around \$ 388 billion and contained by 10 years in 2006 the GDP arrive at \$ 920 billion. Again, the GDP approximately twice in 2016 and

attain \$2.3 trillion. In the identical tread reaching \$ 5 trillion GDP by 2024-25 is not an ascending task. To move in the direction of the target, India should grow with a standard annual growth rate of roughly 11.5 % in dollar terms in the next five years. India's growth to this \$ 5 trillion GDP embattled to be accomplished is in terms of dollar therefore, these variables will contact in accomplishing the growth rate one being the price raises and the extra being the Rupee-dollar exchange rate. India's inflation (consumer price index) has been manageable and has been around 4 per cent ever since August 2018.

The rupee and dollar exchange rates need to be under control to reach the target of \$5 trillion. If rupee reduces it will effect in unfavorable effect in India's GDP and if rupee welcome it will be easier to attain the target.

The below table gives examination of GDP growth from FY 2014 to FY 2020

Table – 4: Analysis of GDP growth from FY 2014 to FY 2020

Financial Year	Average growth rate of 8% GDP (all figures in Dollars \$)
2014	1.9 trillion
2015	2.0 trillion
2016	2.1 trillion
2017	2.3 trillion
2018	2.7 trillion
2019	2.8 trillion
2020	2.9 trillion

Table – 5: Projected GDP to achieve \$5 trillion by 2024-25

Financial Year	Average projected growth rate of 11.5% GDP (\$)
2021	3.1 trillion
2022	3.4 trillion
2023	3.8 trillion
2024	4.3 trillion
2025	5.0 trillion

Indian GDP at present is at about Rs.190 lakh crores (2018-19) which interprets to dollar 2.8 trillion, (dollar exchange is by taking the standard exchange rate in that monetary year). This only means if Indian economy approximately twofold its size in next five years then GDP will attain the target of \$5 trillion.

Table – 6: Overview of world’s top 20 economies GDP- (Trillion will be marked as “T” and Billion will be marked as” B”) Data based on April 2020

Country	Nominal GDP (\$)	GDP based on PPP (\$)
United States	20.39 T	20.39 T
China	13.01 T	24.15 T
Japan	5.87 T	6.42 T
Germany	4.68 T	5.17 T
United Kingdom	3.62 T	3.91 T
India	3.61 T	3.61 T
France	3.58 T	3.83 T
Brazil	3.05 T	4.24 T
Italy	2.93 T	3.31 T
Canada	2.65 T	2.76 T
South Korea	2.53 T	3.02 T
Russia	2.52 T	5.01 T
Australia	2.38 T	2.24 T
Spain	2.31 T	2.77 T
Mexico	2.15 T	3.45 T
Indonesia	2.01 T	4.24 T
Turkey	949.48 B	3.17 T
Netherlands	925.75 B	996.08 B
Saudi Arabia	783.82 B	2.77 T
Switzerland	778.57 B	617.17 B

The top ten market supply about 67% of the total world economy and top twenty economies add to 81% of world economy. India is one of the fastest increasing economy and is in the sixth-position and major in supposed GDP of dollar

2.61 trillion. India predictable to reach 5th position surpassing the UK by 2019 stated by the IMF projection. India’s populace draws its supposed Gross Domestic Product to \$1,982. In 1980 the Indian economy supposed GDP was just \$189.438 billion and numbered thirteen places as per the global list.

CONCLUSION

India began its expedition as an agricultural nation. Over the years India appeared as strong player in developed production and services sector. Service sector is amongst the best growing sector of the world. It adds nearly 60% of Indian financial system and the sector supplies 28% of employment creation in India. Developed production always persists as a crucial sectors and this need to be pressed using assorted proposals such as “Make India” concept. Involvement of the agricultural sector was behind by about 17%, but it is still superior balance to other western nations. The strength of the economy relays on more high level of savings, exports, constructive demographic factors and rise in middle class sector. The Economic Survey’s drawings proposes that for attaining US\$5 trillion economy by 2024-25, there should be a maintenance of GDP growth rate of 8% and general International practice of high growth in East Asian economies advocate that such determined increase US\$5 trillion economy can only be attained by a “virtuous cycle” of investment, exports and savings maintained by constructive demographic conditions.

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