

Impact of IT on Indian Economy

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Abstract : In the digital era, Information technology industry is now become one of the continuously growing sector of Indian economy. The information technology sector becomes the boon for employment for increasing populations of India. It helped in big way for providing the employment and reducing the unemployment in India. Information technology includes the software and services, Information Technology Enabled Services and hardware segments has steady rise in the growth in last few years. The purpose of the paper is to analyze the contribution of information technology in growth of Indian economy and its social impact, education and various sectors

Keywords: Information Technology, Indian economy

I. Introduction

Information technology is involved the development, maintenance, support and use of computers and software's for processing, gathering and distribution of information. It uses software and hardware tools, products to perform its operations and functions. Hardware tools include physical equipment like the user device such as laptops, tablets, mobile phones, desktop etc. and software includes operating system, virtualization and various tools to perform the essential functions and operations. India's first IT service industry started in Mumbai in 1967 and first software export zone SEEPZ was set up in 1973. The emergence of technology led to decrease in the energy cost. Information technology industry made the economic transformation and changed the perception of India in the global economy. Indian IT services are cheaper than any other countries, this helped Indian IT companies to open the various development, support, innovation centers in globally. This steady and fast raise in the industry helped to create various opportunities of jobs and businesses. As one job of information technology creates the 11 job or businesses for other sectors. It helps to grow every level of society. The Indian IT and Its industries are divided into IT support and services, product development, BPO, Hardware and engineering services. Indian IT & BPM is expected to grow to US\$350 billion by 2025 [1].



Table 1: Market Size, sector Composition & growth in revenue

THE DQ TOP 20 COMPANIES FY 2017		
No	COMPANY	REVENUE
1	TCS	1,17,966
2	Cognizant	92,724
3	Infosys	68,484
4	Wipro	55,417
5	HCL Technologies	46,722
6	Tech Mahindra	29,141
7	Ingram Micro India	22,770
8	IBM India	22,575
9	Redington India	17,879
10	Capgemini	15,446
11	HP Inc India	15,340
12	Oracle india	15,318
13	SAP india	11,787
14	Cisco india	11,770
15	Microsoft India	9,550
16	Lenovo India	8,000
17	HPE India	7,500
18	Intel India	6,969
19	LTI	6,500
20	Mindtree	5,236

Source: DQ Estimates FY 17 (Rs Crore)

Table 2: Top 20 list of IT companies FY2017 [4]

II. Education

Indian IT and ITeS companies have opened 1100 global delivery centers in more than 200 cities worldwide. Indian's one of the pressure of unemployment of large population is released to greater extent by information technologies industries. Indian IT export project to grow at 7-8 percentage in 2017- 18 adding 130000 – 150000 jobs during this period. India's competences, ease of business, skilled resources attracted the investor throughout the world to invest in information technology industry.

III. Government Support

Government of India has understood the vital role of information technology industry in the development and growth of the country and they started with planning to provide the smooth less, hassle free, tax benefits in software exports SEZ [Special economic Zone] in India where the companies got the lands with less price or lease amount. Provided and supported with the basic needs for companies. As in any city most important and costly part is to get the space and infrastructure to run any businesses but the government has tried to provide most facilities to setup the business. Government has started various schemes in support of development of various sector which ultimately helping to build good infrastructure for information technology industry.

Providing the infrastructure in one of the key role for business which includes roads, water, electricity, airports and most important skilled resources. To provide qualified resources Indian government has opened the new engineering colleges and increased the seats in the existing colleges. Also started with other degree courses such as Bachelor of Computer Science, bachelor of Computer Application, Master of computer Application, Master of Computer Sciences and various diplomas'.

For improvement of each sector Government started various schemes. State Government started providing various exemptions to the industries and providing various benefits and tax benefits to attract the global companies and ultimately creating the jobs for people.

Indian IT industry expected to grow to US\$ 350 billion by 2025 and BPM for US\$ 50 -55 billion out of total revenue so expectation from government also increase for providing the required infrastructure

IV. Rural Development

Impact of information technology on rural development is huge and total 360 degree changes happened .Due to effect of industry. Building of infrastructure, roads, dams, employment has increased.

As special economic zones [SEZ], Software Technology Park [STPI], building various private IT parks are done in nearby places of the cities, for which large range of land acquisitions from the farmers done and provided the huge reimbursement on it. Few private IT park are developed as company in which percentage of stakes are kept by farmers as continuous income and running those park as company. Started with various businesses in large scale such as providing the food grains, milk, vegetables etc. This helped to increase in the economical level of farmers and also living standards. Earlier most percentage of the village students did not get the jobs of good wages so they prefer to do the farming only. After emerging of Information technology industry peoples who passed the B.E, BCA, BCS, MCA, MCS, MBA started getting the jobs with good wages and most

helped to increase the percentage of education in the villages as people earlier not interested to send the students to colleges because of not getting good jobs and wages but this perceptions has changed by information technology industry and people started providing the college education to students in which relatively increase in percentage of girls. This helped a lot for women empowerment and becoming girl's self-dependent. The group of village women and men started the small businesses. As the economical level of people move up, they started educating the children's in good schools, colleges and they are able to provide the better education environment for their children. Villages became the suburban of cities in which good infrastructure developed such as roads, bridges, water supply, electricity, sewage water treatments, public transports etc. to fulfill the requirement of the information technology employees Dams constructed or increased the capacity of Dams. Permanent and good roads, bridges are constructed.

V. Other Sectors

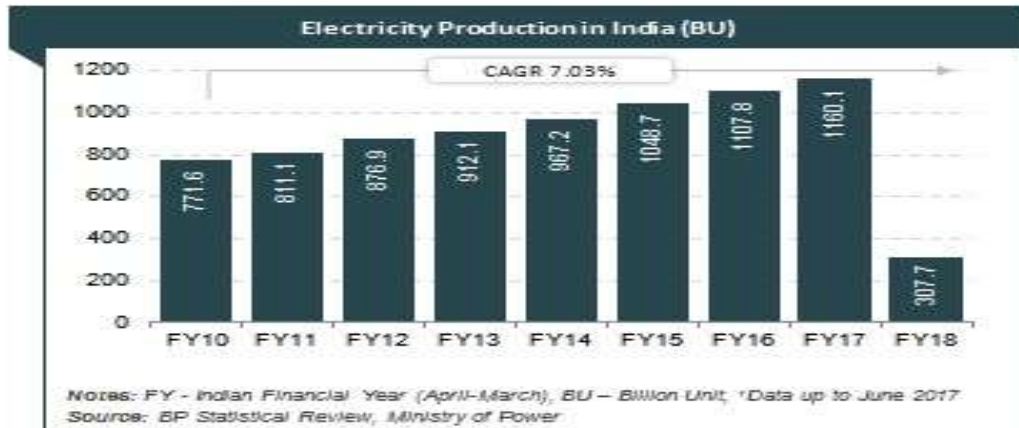
Government initiative and basic needs of skills resources has helped Indian economy to grow in every aspects and provided the employment to various sectors such as civil, mechanical, electrical, water management, aviation, vehicle industry, banking, healthcare and insurance etc. All the sectors collaboration and continuous support is required to start and run any Information technology company.

As the Information Technology industries require the infrastructure which includes the buildings, roads, electricity, water management, transportation, security etc. Infrastructure development which is required the buildings for making the seating arrangement of large count of people for working and also the residential arrangement such as own flats, hotels, hostels, guest houses helped the civil sector to grow with faster rate which ultimately helped to get all skilled resources, labor and others people to get the jobs. This helped to increase earning of people and living standard of the people. India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries. The demands of the luxurious and electronics items has been increased which helped those industries to grow faster. Mechanical and Vehicle Industry developed in last few years with fast pace as personal two and four wheeler vehicles, commercial Vehicles, public transport vehicles demands has suddenly raised which helped this sector to grow at faster rate. To provide the example Hinjewadi pune areas which is one of hub for information technology industry daily has commute of more than 2,00,000 vehicles so understand the growth of this sector. As various mechanical industries has opened their car, bike manufacturing units in India at various location which was earlier use to export the cars on demand to India and also sales of vehicles at very low rate[1].



Power is one of vital components in the infrastructure which important for economic growth. Electrical requirement for commercial as well as home has been increased as this helped the resources i.e. Skilled and unskilled from electrical background to get the job with good wages, started various power companies to produce the electricity and continuously growing to fulfill the increasing demand of the industries.

The below graph shows continuous increases in the production of electricity[1].



Water management is key area which is part of civil sector. This emerged as one of the vital in development of cities and industry as Government and many private companies started working on it for storage, planning and distribution of water. This sector also created the large employment.

Aviation industry increased in fast pace in last few years as because of the people travelling by air has increased in large percentage. As Information technology industry has spread across more than 200+ cities in the world. India is currently considered as third largest domestic civil aviation market and expected to become the world's largest domestic aviation market in next 10 – 15 years



Healthcare industry[1] has become one of largest sector in terms of employment and revenue. Information technology industries is one of the reason to grow healthcare industry at fast pace. Indian healthcare sector consist of public and private sectors. Information Technology industries provides personal, accidental, group insurance to employee with good limits. This helped the healthcare industries to grow. This sector grown with fast pace due to spending of private players. Healthcare consists of hospitals, medical equipment's, health insurances, clinical trials, medicines etc. The Healthcare Information Technology market is valued at US\$ 1 billion in (April 2016) and is expected to grow 1.5 times by 2020.



Growth of the banking industry [1] increased in last one decade as Information technology helped banks to grow with faster pace. Financial and economic conditions become the good as higher wages of techies and other Information technology related business helped to grow the banking sector with fast pace.

Information Technology helped to banks to start innovative banking. As per the below growth chart we are seeing the continuous increase in deposit percentage.

This helped banks to provide the loan for businesses due to which people able to start the various businesses. Enhancement in capacity of spending on infrastructure, continuous reforms and quick implementation of schemes providing the boost to the banking sector.

VI. Conclusion

This paper provided in review and impact of information technology on the Indian economy. It showed the impact of information technology, its fact and figures of the software export and investments, key trends, India's current position in global information technology market. Its continuous growth and unanimously leading the world as leader in the software development and export in comparatively less cost. We have seen the impact of information technology industry on various sectors growth such as Mechanical, Power, Automobile, Infrastructure, education, rural development, healthcare, banking etc. Which ultimately helped to boost the Indian economy with fast pace. This ultimately helped India to become one of the global leaders and change the perception of the world to look towards India. The government efforts to build the more suitable conditions for establishment of IT industries and future expectation from the government to maintain the fast pace of growth. All in one, Information Technology industry is boon to the Indian economy to grow the such fast pace in last few years, helped to provide the employment to world's largest skilled labor youth and business to various sector people. We have to maintain the pace and always should be topmost destination for IT companies. The future of this industry will be bright with more growth being predicted.

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