Chapter 13
Digitalization in Rural India:
A Step Towards Socio-Economic Transformation Amid the Pandemic

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ABSTRACT

This chapter demonstrates how the digitalisation of welfare schemes aiming at marginalized people has proven to be an effective tool for socio-economic transformation in rural India. It aims to advance and offer the argument in favour of e-governance-led digitalization for the multidimensional benefits to the entitled beneficiaries in India. Digitalisation has facilitated the implementation of e-governance, leading the government in building all interconnected and interlinking nexuses of different segments of society through the use of ICT over the digital space.

INTRODUCTION

In the post-reform period, India has registered an impressive economic growth rate. The high growth rate has been fuelled by a series of regulatory reforms and liberalisation of the economic system to promote foreign investment in the country. Despite the rapid economic growth, nearly 47 percent of the workforce is employed in the agriculture sector as of now, which contributes about 18 percent of the country's Gross Domestic Product (GDP) (see, Kumar, 2021). Besides, a majority of the workforce from the non-farm sector is engaged in the informal private sector. Even as of now, the vulnerable source of employment for the male and female workforce accounts significant portion of the total employment in India. They are living in rural areas with limited access to modern infrastructures such as banking, health, education and other ICT based services and devices (see, Kumar, 2021). In fact, the benefits of the rapid economic growth have mainly been confined to the Indian urban centres during the post-reform period.

India is a home of over 1.35 billion population, with a significant number of people living below the socio-economic benchmarks. They include labourers, rural and urban poor, women, children and people belonging to socially disadvantaged sections of society. Since independence, successive governments have started a large number of welfare programmes for the socio-economic upliftment of the marginalized people. However, the lack of information and potential leakages in the monetary benefits aimed at the poor has been an all-time high challenge. The government recognises these facts, leading to the adoption of the E-Governance system for the equitable distribution of resources and delivery of welfare programmes at identical times.

Digital transformation implementation seems to be unavoidable at fast changing time if a government wants to respond to the challenges of globalization and urbanization of economic activities. Public organizations responsible for delivery of welfare schemes must modernize by integrating their activities with a new digital environment for wider reach in short possible time, which provide them with the opportunity to develop effective and transparent solutions to complex problems through digitalisation for socio-economic transformation of the people. The ICT revolution which took place during 1990s in India has benefited the economy in particular and common people in general. In the last decade, the expansion of ICT has led the Government of India (GOI) the adoption of E-Governance for the delivery of governance in a smooth, faster, and transparent manner.

Digital technologies have been a key driver in modern globalised world. Organizations responsible for delivery of public schemes need to integrate these technologies and their capabilities to compete and strive in the digital world. In the age of fast coming technologies, the business model innovations by the corporate and Government levels, allowing them to deploy a wider range of models for faster outreach and wider participation of the people (Chen, 2020). Now there is wide use of E-Governance in all forms of governance system like Government to Government (G to G), Government to Business (G to B) and Government to People (G to P).

The implementation of the E-Governance has brought dynamic changes for government in the form of mobilisation of resources, for businesses in the form of market, marketing and processes, and for people in the form of knowledge and getting of cash and non-cash benefits under welfare programmes without any leakage. Time and distance which had been an impediment between government and people for long years in countries like India have now bridged with the adoption of E-Government, especially in the implementation of welfare schemes. Potential benefits of digitization include increases in productivity, innovations in value creation, as well as novel forms of interaction with people, resulting in the shifting from existing model of functioning to new business models (Downes & Nunes, 2013). In order to achieve these objectives, organisations engage in activities towards standardizing and automating their processes.

Sustainable high economic growth requires the inclusive socio-economic welfare of marginalized people from different sections. Because of the poor implementation, the welfare programmes which were designed for the welfare of marginalized people had been failed in addressing the main purpose for a long time in the past. The leakages in the cash and non-cash benefits aiming at the poor, and high-level corruption in government agencies that were responsible for the implementation of policies, have been the common faults. They have been acted as obstacles in reaching the full benefits to entitled beneficiaries.

Digital transformation at the government level of welfare schemes has the capacity to introduce new processes and mechanisms that will maximum benefits in a transparent manner that can affect the key structures and performance of a target group of people of an economy. It provides access to the actual data regarding the number of target beneficiaries and insights that can help maximize the government performance in targeting the actual beneficiaries. As of now, the GOI focuses on the use of information

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