

Impact of E-Commerce on Digital Divide

Seema Rani

Assistant Professor, Department of Commerce, D.A.V College Bathinda

Abstract

As indicator of growth of any country are Gross Domestic Product, literacy rate, digital literacy etc. Govt of India has been trying to increase digital literacy by increasing literacy level by following many measures. Govt is successful in increasing literacy rate but the pace is very slow, but with the intervention of internet and with that E-commerce portals and apps., Digital Divide has been reduced to a great extent although literacy rate is not improved at same pace. E-Commerce has increased digital literacy indirectly for which govt has not expected. I just try to explain in simple words how E-commerce has done this and still doing.

Key Words: Gross Domestic Product, literacy rate, digital divide, e-commerce.

Introduction

The measurement of a country's status worldwide is defined through the digital presence of the population of the country as per the new regulations of United Nations. The Gross Domestic Product (GDP), the literacy level of population measures for categorizing countries in Developed, Developing or Under-Developed. The term Digital Divide states that the gap between the people who have information and those who do not have information. Globally it is right of every individual to be aware of all the information local or global for better living on the earth, continent, city, village or any location. Every citizen must be well aware of its surroundings and environment and benefits provided by its government.

Asian continent has two major populated countries China and India. As far as GDP is concerned, the figures published by the Chinese authorities are always in doubt. Of course population wise India is second largest populated country after China. The literacy level of country is nowadays measured through net presence of the population and is named as digital literacy also. The Chinese population is digitally more literate but the level of international language usage is much lower than that of Indian population. It can be said that India is far ahead in digital literacy indicators when compared with China.

What can be the reasons that have been helpful in bridging the digital divide?

One of the biggest challenges which Indian education face is the number of drop outs at the under graduate level. In order to overcome the digital divide it is necessary that the information technology aspect should be introduced to the students right from their school level and the need for the same is been identified by the Indian government recently. The government has introduced the Information technology in the syllabus right from 1st standard so that the students can have an access to the technology and will come to know various strategies of searching the Internet.

The government of India adopted E-governance in the last decade. This lacunae worked but the involvement of general public in e-governance was very small, because of two main reasons, a) the services were for the people of the age from 35 to 90 years and this group of population is weak in English language that is the language of information and communication technology tools, (computers, internet et).

GDP vs. Tele density

Tele density is commonly used to measure the level of development in telecommunication. Telecom development is viewed as a major pre-requisite for the economic integration in this globalized world. There exists a wide gap between the tele density of developing and developed countries. In some countries tele density surpasses 100 per cent which means that some people subscribe to more than one telephone line .In the decade of 1990s, massive research was conducted in telecom sector and many studies showed positive relationship between telecom growth and economic development. GDP increased due to telecom density, the trends are worldwide.

Telecom and ICT Services

(Service providers, Tele density, Voice and Data, Urban, Rural)

In 1999 first telecom policy was drafted which invited private companies and multinationals in telecom sector. In terms of telecommunication penetration, Asian economies are taking lead and expanding rapidly. Transfer of latest technology is no more a hurdle for the growth of telecom as telecom giants of the world are taking over the sector in developing countries in collaboration with local investors or some time having solo flights.

In 2010, BSNL was top telecom service provider followed by AIRTEL. But after the entry of RELIANCE JIO in ICT services, they are on top and all others are struggling to survive in market by adopting mergers and acquisitions. By providing free sim, free data, and also 3G/4G mobiles at very affordable prices they penetrate even in the urban areas which were at saturation points, people started using jio services.

Internet Access

All this led to increased number of internet service providers, companies started transfer of social information publishing towards commercial portals. Voice and data and commercial portals grew side by side; when urban areas reached their saturation point in tele density because every household has at least one connection. Then service providers moved towards rural areas where although literacy level was still low but popularity of social networking sites as Facebook, Twitter, Instagram, etc. lead to growth of internet uses .Entry of Reliance Jio as a service provider increased digital literacy many fold of which govt has never expected.

E-commerce Portals and Mobile Apps

E-commerce or electronic commerce is the buying and selling of products or service over the internet or any other electronic media. It includes electronic fund transfer, internet marketing, online transaction processing etc. Modern e-commerce is typically bound to the internet. Though it may encompass many other methods like telephonic booking, it uses the internet at least in one point of time. E-commerce, the idea of online shopping was first put forth by Micheal Aldrich in 1979. He had connected a modified domestic TV to a real-time transaction processing computer via a domestic telephone line. Later in 1990, when Tim Berners-Lee invented the World Wide Web, e-commerce has got a scope to expand itself. Amazon.com which was first launched in 1995 by Jeff Bezos is the first online shopping site open 24*7. Today, there are umpteen number of e-commerce sites. While some are pure click websites like amazon, clear trip, flip kart etc., some are termed as brick & click websites. A pure click site is one that is established online directly without a base firm. Sites like e-bay, amazon are some of the examples. There are also few firms which obtain name & fame and then launch an e-commerce site to avail online facilities to the customers. E- Commerce portals which are most popular as

- Amazon India.
- Flip kart.
- Snap deal.
- Alibaba.
- EBay India.
- Jabong.
- Amazon.
- Paytm
- Uber
- Walmart

And many more exists .E-commerce portals started their advertising through social networking sites may it be Facebook, twitter, Instragram, and T.V. specially music channels and news channels and on line shopping channels as HOMESHOP 18, Naaptol etc. These E-commerce portals started their apps.

All this growth of E-commerce reduced the digital divide to a remarkable extent. Govt was adopting measures to reduce literacy through education by providing service centers to the illiterate peoples to fulfill their requirements of billing services ,banking services etc. but E-commerce portals and apps made all people whether rural or urban made self-sufficient to fulfill their needs . E-commerce providers provides benefits to the customers by giving discounts, free bias, free deliveries, coupons ,easy payment and east returns etc. Increase of internet presence of people and ecommerce is a two way benefit process.

E-commerce thus reduces digital divide indirectly. Average life expectancy is about 70 years. 60% of population is between 20-50 years of age. Internet uses are not limited only to this age group, people belonging to every age group are now using internet in one way or other, even it is said that today's child is born with internet knowledge.

Role of Government

Although digital divide is reduced to great extent but now its govt.'s initiatives to support e-commerce by taking appropriate measures. Indian Government must have to play a significant role in the promotion and growth of E-commerce. Government must have to support rapid deployment of necessary infrastructure by providing various educational and skills development resources. Plan for the development of MSME's on a national and global scale. Ensuring equity in the availability of opportunities and benefits for the overall development of the rural community.

Government has to adopt some specific e-commerce laws. Digital India, Make India, skill India etc. are some good steps taken by the government for this purpose. It will definitely enhance the economy of our country. Many efforts can be seen in Indian for bridging digital divide. All these efforts are reflected from the various initiatives taken from the government, private sectors and also through the libraries. Many libraries and information centres apart from keeping separate terminals in the libraries for users are with the growing competition in the e-commerce market, players who are able to adapt and innovate quality products will gain profit and enhance the economy of the country. Both electronic learning and mobile learning enhances the access of the good educational institutions in remote areas. The rise of online sales in the developing markets will encourage retailers to go online for global expansion. E-marketplaces are working well in India due to high fragmentation on the supply side. Mobile banking reduces the transaction cost of banks which increases access to financial services through rapidly growing mobile market. Rural areas which are too costly or unprofitable for business development might be a focus of investment and market expansion, and also for building corporate offices. Providing training to the users so that they can access information through Internet. Many libraries have developed digital and institutional repository to make the literature free accessible to the users.

On the other hand Government of India has taken several measures to improve the literacy rate in villages and towns of India. State Governments has been directed to ensure and improve literacy rate in districts and villages where people are very poor. There has been a good improvement in literacy rate of India in last 10 years but there is still a long way to go. Going by previous growth rate, India will be able to achieve its universal literate target not before 2060.

Steps taken by Government of India to improve Literacy Rate in India

- Free education programs to poor people living in villages and towns.
- Setting up of new schools and colleges at district and state levels.

- Several committees have been formed to ensure proper utilization of funds allotted to improve literacy rate.
- Beti Bachao, Beti Padhao is the latest initiative taken by Government of India to save and educate the girl child in India.
- State literacy campaigns are launched at several times to conduct door to door survey to examine overall literacy scenario in the districts

Conclusions

After taking a complete view of the industry trends, it is seen e-commerce is emerging as an important tool to certify exploding growth of Indian economy by reducing the digital divide through digital literacy. It has the scope to lead India into an Economic superpower. With a rapidly growing internet penetration e-commerce offers an attractive option for the retailers, consumers, students, etc. to grow and to reduce digital divide. To achieve this, there should be more investments in supporting infrastructure and innovative and supportive efforts of Govt. to implement stringent and effective laws to increase e commerce penetration and also to protect people from negative consequences of internet uses .All this will certainly lead to reduction of digital divide or enhancement of digital literacy that will ultimately lead India towards development.

References

- Anjum Bimal, Tiwari Rajesh (2011). 'Economic and social Impacts of E-Commerce,' CFA International Journal of Computing and Corporate Research, Vol. 1, Issue. 3. ISSN: 2249-054X
- KPMG report authored by Doger Kritika and Tanwar Prahlad available at www.kpmg.com www.wikipedia.com
- Rebirth of E-commercial in India, report by Ernst & Young LLP available at www.ey.com
- E-Commerce Evolution in India: Creating the bricks behind the clicks, Designed by Corporate Communications, India available at www.pwc.in
- Future of e-Commerce: Uncovering Innovation, available at www.deloitte.com/in

