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Information Technology: Impact on the Inclusive Growth of Emerging Economies

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ABSTRACT

Why inclusive growth? Inclusive growth is essential to achieving the goal of equality, that is, perhaps, less understandably, why inclusive growth is now considered the most important factor in maintaining momentum. First, in the economy of many emerging markets, large numbers of people are housed in rural areas. Significant increases in demand for manufacturing sectors and services should come from rural people. The monthly expenditure (MPCE) in urban areas of India is almost double that of rural areas. In some lands, the difference is even greater. Therefore, it is important to ensure that growth takes place in agriculture, integrated sectors such as secondary sectors and services in rural areas, and among the urban poor to provide a growing market for goods and services produced by the growing corporate sector.

1. Inclusive growth in India

From an annual average growth rate of 3.5 percent in 1950 to 1980, India's economic growth rate accelerated to almost 6.0 percent in the 1980s and 1990s. Over the past four years (2003-04 to 2006-07), India's economy has grown by 8.8 percent. In 2005-06 and 2006-07, India's economy grew at a high rate of 9.4 and 9.6 percent, respectively

2. Challenges of Inclusive Growth in the Emerging Economies:

We have experienced unprecedented growth in most part of the globe during last few decades. Unfortunately, the fruits of such growth did not improve life of everyone. While poverty has reduced marginally in some of the emerging economies like India, China and Vietnam, still half of the world's population owns less than 1% of the wealth.More than half of the 2.6 billion workers in the developing economy are employed in the "informal sector" with poor working conditions. Unemployment, especially among young people, ranges between 40 and 70%. An estimated 1 million people suffer from malnutrition, 2.7 billion people living without sanitation and water, 125 million children who do not go to school, and an estimated 30 million children who die of preventable diseases ten years before reaching the age of five; clearly shows that the vast majority of people are deprived of the opportunity to share the fruits of growth. The situation is surely unsustainable. The biggest and immediate challenge of the current century is to produce inclusive and sustainable growth. The poor have no money, no security, no food, no health, and no standard of living. They have no access to information, credit, skills, and networks, which can improve their personal, economic, and social well-being.

The demographic by countries such as India and China wouldlead to prosperity only when available additional workforce is educated and employedproductively. Otherwise, social violence and instability can be expected.To create a better and more stable future, Governments, Corporates and NGOs will need to work together and play their role effectively.Organizations will also need to establish multiple locations to provide products and services at affordable prices, in the larger market segment.

3. Challenges to Inclusive Growth in the Emerging Economies

Is the provision of affordable financial servicesto the excluded regions and sections of community a risk to the bottom lines of banks? does the public investment policy contradict the commercial objectives? Banks have specific circumstances and powers, which enables them to be highly leveraged institutions, place a responsibility on them to make basic banking services available to all. At the same time the growth of their sustainable balance could mean that they are entering remote and inaccessible parts of the population that need to invest in technology and growth skills. Moreover, it seems to be a problem of time as, such an investment - if done early enough and an increase in market share - could help.

4. Information Technology role in the Indian Banking Sector

Introduction: With globalization all over the world, it is difficult for any nation large or small, developed or developing, to remain separated from what is happening around. In a country like India, one of the fastest-growing emerging markets, such segregation is almost impossible. India has anedge over its competitorsin the area of Information technology, the remoteness or similarity of global trends cannot be measured. The current article begins with a banking perspective when they go into IT up-gradation. All sectors in the IT sector are then discussed to see their relevance to the status of Indian banks. IT Consideration Since the early nineties, every Indian bank has made some effort to improve IT. The first and foremost compulsion is strong competition. When deciding on the required construction of IT considerations the following facts are given.

1. **Meeting Internal Requirement**: The needs of banks are different people depending on the type and size of their business; focus on a specific area, branch distribution, and so on. Many times, banks have the

necessary details but are scattered. Operating units are seldom aware of the purpose of data collection by their senior management.

2. **Effective Data Management**: As mentioned earlier banks have a lot of required information but are still distributing it. In addition, the cost of data collection and processing is very high. The accuracy and timeliness of data production is a key factor in the process. The best intentions for computer use are far-reaching because there is no significant reduction in the cost, effort, and time required to collect the required data.
3. **Extended Customer Services**: Dealing with customer expectations is especially important after increasing competition. In the event that bank A is able to provide the required service at a competitive and accurate price with speed. There is always the banking IT of its neighbors waiting to hire a customer. Consumer awareness about the availability of services and their prices as well as the options available brings to a greater focus the problem of customer satisfaction.
4. **Technology Support for New Product Development**: It has become necessary for banks to make the product development process more important. Marketing professionals need more information not only from external sources but also from within banks. Banks view part of the stores as the future marketplace for sales efforts. Having full customer details is key to this goal. The emergence of the need for data and the construction of appropriate support for the same are important issues that need to be addressed in this regard.
5. **End-user Development for Non-technical Staff**: Banking is a service industry, with account workers delivering products. In the case of India, virtual banking may take a few years to establish. Reliance on calculator staff is inevitable. The staff is large in number and most do not use technology. The level of customer satisfaction over the counter determines the major annoying IT benefits. Proper attention to this aspect in choosing a construction when needed.

5. There are false concepts about technology and its capability. Some misconceptions include:

1. Implementation of Best-fit possible technology.
2. The system solution is good enough and there is a need to consider the expectations of the users.
3. New innovations are generally successful.
4. Success is only related to novel ideas.
5. Technology is the sole determinant of business success, and
6. Measures and standards i.e., the issues of audit and evaluation stand in the way of innovation.

The available time to debate the same issues is sufficient and these false ideas are clarified during the low market. In the end, the decision-makers came to an agreement that IT is not a panacea, but a helpful one there and is well supported by the BRP (Business Process Re-engineering), human resource plans, tangible infrastructure, and an established response organization.

6. Recent Developments in the Banking Sector

1. **Internet**: The internet is a network of computers. In this, the marketing message can be transferred and received worldwide. The information in the form of data can be sent and received anywhere in the world. In no time, internet availability can do a lot of work for us. Including the following:
   a. This internetcan serve as an electronic mailing system.
   b. It can access a remote database, which may be a datacenter of any foreign country.
   c. We can exchange ideas on the Internet. We can communicate with anyone connected to the Internet.
   d. On the Internet, we can exchange letters, numbers/drawings, and recordings of music. The Internet is a fast-growing network and is very important in performing government functions, educational institutions, research organizations, etc.
2. **Society for Worldwide Inter-bank Financial Telecommunications (SWIFT):** SWIFT, as a cooperative community was formed in May 1973 with 239 participating banks from 15 countries with headquarters in Brussels. SWIFT provides a fast, secure, reliable, and cost-effective mode of transferring financial messages worldwide. Currently, more than 3000 banks are members of the network. SWIFT is a complex way of transmitting complex messages of global reputation. This is a highly cost-effective, reliable, and safe way to transfer money.
   a. This network also facilitates the transmission of messages relating to fixed deposits, interest payments, credit statements, foreign exchange transactions, etc.
   b. This service is available year-round, 24 hours a day.
   c. This program guarantees any loss of mutilation when transferred.
   d. It works for almost every financial institution and a selected a list of other users.
3. **Automated Teller Machine (ATM**): ATM is an electronic machine, which is operated by the customer himself to make deposits, withdraw money, and other financial transactions. ATM is an innovative improvement that improves customer performance. ATM service is available to customers 24 hours a day.
4. **Cash Dispensers**: Withdrawals are basic services provided by bank branches. Payment is made by the cash administrator or cash register as another way to save time. The operation of this machine is cheaper than handmade, and this machine is cheaper and faster than ATMs. The customer is provided with a plastic card, magnetically bound. After official completion, the machine allows the machine to transact the required amount.
5. **Electronic Clearing Service**: In 1994, the RBI appointed a committee to review the banking system and to review the electronic cleaning service. The committee recommended in its report that electronic debit clearance facilities should be made available to all state-owned enterprises/institutions by making repeated payments of lower value such as divorce, interest, rebate, salary,

pension, or commission, also recommended by the Committee Electronic Clearing Service- Debit may be provided for prepaid payments on state debt, premium insurance, and installments in rental and finance companies. The RBI has been a necessary step in launching these programs, initially in Chennai, Mumbai, Calcutta, and New Delhi.

6. **Bank net**: The bank network is the first national network in India, launched in February 1991. It is a communication network established by the RBI on the recommendation of a committee appointed by it under the chairmanship of TNA executive director Lyre. The bank net has two components: Bank net-I and Bank net-II:
   a. The message of the bank transaction can be conveyed in the form of a code from one home to another.
   b. Quick settlement of transactions and advices.
   c. Improving customer performance — withdrawals are possible at any member branch.
   d. Easy data transfer and other statements to RBI.
   e. It is useful for foreign exchange transactions.
   f. Access to SWIFT via Bank net is easily possible.

7. **Chip Card**: The bank customer is provided with a special type of credit card with the customer's name, code, etc. The amount of the customer account debt is recorded on the card by magnetic means. The computer can read these magnetic fields. When a customer uses this card, the amount of credit written on the card begins to decrease. After using it several times, in one step, the balance becomes off the card. At that point, the card is useless. The customer must deposit money into their account in order to reuse the card. Also, the amount of the credit is recorded on the card by magnetic means.
8. **Phone Banking**: Customers can now call the bank's built-in phone number and by dialing their ID number they will be able to access the computer's built-in computer. The software provided to the computer interacts with the computer asking him to dial the code number for the services required of him and to respond properly. By using an Automatic voice recorder (AVR) for simple queries and transactions and telephone terminals handled with complex questions and transactions, the customer can actually do all the non-cash-related phone calls: Anywhere, anytime.
9. **Tele-banking:**Telebanking is one of the newer, more accessible 24-hour banking services for customers. Tele-banking is based on the voice processing environment available on bank computers. The caller usually calls the customer at any time and may ask for a balance in his account or another transaction history. In this program, bank computers are connected to a phone link with the help of a modem. Voice processing location is provided in the software. This software identifies the caller's voice and gives him or her an appropriate response. Some banks also use telephone answering machines, but this is limited to other short-term services. The only telephone answering system now is Tele-banking. Telebanking is becoming popular because questions at ATMs are now too long.
10. **Internet Banking:**Internet banking enables a customer to perform banking services via an online banking website. It is a system for obtaining accounts and general information about electronic banking products and services while sitting in its office or at home. This is also called virtual banking. Gradually or gradually bring the bank to your computer. At a traditional bank, a person must go to the branch personally, withdraw money or make a check or request a statement of accounts, etc. But online banking has changed the banking system. One can now use all these types of transactions on his computer via the bank's website. All such transactions are encrypted, using sophisticated security configurations, including walls and filters. One can be sure that personal transactions are safe and confidential.
11. **Mobile Banking**: Mobile banking is an extension of online banking. The bank has partnered with mobile operators who offer this service. With this service, cell phones should be enabled by SMS or WAP. These services are available even to those customers who only have bank credit card accounts.
12. **Anywhere Banking**: With the expansion of technology, it is now possible to obtain banking information from remote locations. Basic performance can be affected from remote locations. Automated Teller Machines play an important role in providing remote services to customers. The withdrawal of some channels occurred due to the connection of ATMs between the channels. The Rangarajan Committee also recommended the installation of ATMs at non-branch locations, airports, hotels, train stations, Office Computers, Remote Banking, and other facilities to expand the customer and home office.
13. **Voice Mail**: Speaking of response systems, there are several banks especially foreign banks now that provide a high-quality telephone answering service that directs the customer directly to the relevant department and allows the customer to leave a message on the affected desk or door if no one is available.

7. Role of IT in E-commerce

E-commerce can be widely translated to include business-to-business (B2B) transactions or internal processes. B2B transactions are part of the commodity trade, and supply chain management is also a weak link in India. This correlation stems from the transactions found in the B2B arena. In fact, developing countries have the opportunity to connect with older, more expensive alternatives such as the Electronic Data Interchange, which represents greater asset investment in countries like the US. For example, Miller (2001) explored the power of B2B commerce in India. He gives the example of Reliance Industries, which, although very diverse, is now heavily involved in the production and distribution of chemicals. Of the company's nearly 20,000 customers in India, about 3,000 are major consumers, accounting for more than three-quarters of total sales. These large customers are connected electronically with Reliance-based market exchanges. Using leased queues, customers can process orders, and Reliance can communicate shipping information, manage to establish, generate invoices, and provide customer support. Using this program, Reliance has reduced receipts from 310 days to 90

days. The improvement in general costs is due to the consolidation and acceleration of processing within the company, and between the company and its customers. Order delivery speed has greatly improved, and the list of items included has been reduced. Switching customers from rental lines to the Internet will provide continued cost savings. Commercial revolution, or B2C e-commerce, is an important figure that India has an estimated 150 million Internet users, 75-80 percent of whom are active or regular users. Therefore, the current capacity of the B2C market is much lower than the population. About 30 percent of the user base is in rural areas, including those using mobile phones. Urban Internet users prefer to connect to social networking sites, and entertainment (e.g., music, photos, and videos) is the main driver of Internet use in rural India. Content sites like Yahoo! are very popular in India, and Google offers many Indian languages through its search engine. Given the challenges of inadequate payment and delivery systems, rural Internet users in rural India are likely to be part of the economy of attention, paying for access to content through their advertising attention. Urban Indian consumers, however, are very similar to their Western counterparts, using e-commerce for a variety of goods. As e-commerce arrived late in India, its trajectory did not follow that of the West, starting with books and CDs. However, the most expensive stock in the full range, such as books and music, is a natural choice for online trading. One has already discovered a variety of Indian, or more widespread, commerce sites, such as Flipkart, or specialists in certain areas of clothing, such as clothing, shoes, electronics, or household items. These online sites, to some extent, fill a gap in the lack of door chain stores, which are either weak or scarce in India (except in the southern part of the country). Indian e-commerce sites are required to comply with the Indian status, in terms of performance, payment plans, and legal procedures. It is interesting that they have succeeded fairly, despite the institutional weaknesses. Spending on private delivery and delivery and the importance of trust and reputation have allowed e-commerce transactions to gain a foothold in Indian re-sales. Recent measures to allow FDI in the sale of many products in India have specifically excluded e-commerce, providing “infant sector” protection to Indian firms. Flipkart, for example, does not have to compete with giants like Amazon and will continue to be protected from this. Of course, content and mediation services in markets such as eBay are a major part of online offerings in India. In addition, it is a form of e-commerce that Indians are also able to buy from external e-commerce sites, and in many cases, shipping costs do not allow. There is also very little to prevent foreign sites from acting as mediators between Indian buyers and sellers. India's e-commerce growth forecast is optimistic, with annual growth rates of 30 to 60 percent, but the basis for this speculation remains unclear. Many of the outcomes of these activities depend on the changing revenues of Indians in general, as well as the rate of overall economic growth. Decreased GDP growth rates above 8 percent to about 6 percent inevitably could contribute to growth in consumer spending. The government's ability to accelerate broadband access to the Internet will also be critical to the growth of e-commerce. One area where e-commerce can have some impact in rural India is not from a consumer perspective, but from manufacturers.

8. Role of IT in Rural Development

It is possible to use Technology to widely dispersed consumers in rural handicrafts market in rural as well as urban areas of developed countries and developing countries. For example, DrishteeHaat, Kashmiribox and Emithilahaat offer a web site with a range of “ethical gifts & handicrafts from rural India.” There is a potential role for rural Internet like we have kiosk operators as intermediator in the marketing process. In such cases like DrishteeHaat, we have kiosk operators who are trained to identify local handicrafts that might be marketed on the Internet, and to create the relevant content for advertising the associated products. This is example in India, nor is India the only developing country to see the potential for using the Internet to overcoming the distance in bringing rural products to wider markets at effective cost. It should also be noted that a combinational model may be the most successful even in this case. Operators like Fabindia, which were already successful in sourcing a range of products from rural India to upscale stores in urban India, have naturally extended their reach to online offerings. Such examples are important in providing branding and status to the rural crafts and art, by creating trust for buyers in otherwise hidden sellers and products.

9. Conclusion:

For economic growth kind of technology is also an important determinant. Thus, economy is moved by technological progress. New inventions and innovations have been largely accountable for rapid economic growth in developed countries because technology ease the use of economic resources to produce high quality goods, efficient services and innovations. Progress in technology plays an important part to economic growth and development, and the advancement in technology is directly linked to the improvement in local and global economy. Technology can contribute to save the time it takes to produce a good or deliver a service and the efficiency of a business's output rate, allowing for larger quantities of products to be moved or of services to be rendered, it has a huge effect on the ability of businesses and governments to access natural resources and use them in the most effective manner to benefit the economy and technology has progressed to further research into every sector of business and science, meaning businesses can be benefited from all sorts of technological advancements.Information technology is the single most important constraint in the success and growth of international trade and job market growth, allowing businesses to share data and conduct trade in minimum time.

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