

Chapter 15

Strategic Metamorphoses of ICT Sector for Human Development in India

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ABSTRACT

As Indian economy gets integrated to the global economy and strives to improve in terms of human development indicators, a special role exists for information and communication technologies (ICT) in this process. The strategic metamorphoses and the resultant expansion of ICT linked telecommunication services in India have favorably influenced the effort to accelerate the pace of human development by enabling equality in access to information, creation of employment, improving the quality of life, better livelihood opportunities in rural areas, growth of agriculture, impetus to business development, environmental management and many more. After the initiation of economic planning in India, telecom services were assumed to be natural monopoly and were provided by one entity without competition. The government launched ambitious ICT infrastructure initiatives, radically changing its communication policy framework. The resultant growth of ICT services in India has led to significant improvement in human development levels. It has led to a reduction in information asymmetry between the rich and the poor, improvement in telecom density and ICT accessibility in rural areas, fostering inclusive growth, providing better access to market information to people in remote and rural areas, facilitating technological leapfrogging, enhancing business networking and offering new opportunities from the perspective of human development.

DOI: 10.4018/978-1-60960-497-4.ch015

INTRODUCTION

The ICT is renaissance period for Telecommunications reforms in India and has opened new vistas for socio-economic development. There is a policy-shift for the Government to converge this sector into the core physical infrastructure so as to meet the global challenges with prudence. It is the cornerstone upon which creation of knowledge based society will depend for its prosperity and future economic development. Recognizing its importance for the human development as a whole, the telecom services are also referred to as social overheads, thus indicating its enormous potential for creating an egalitarian society. In information age where everyone would like to keep abreast with the latest information of interest ICT is an important media for providing access to information. Today India has a vibrant and competitive communications sector. Development of communications is the national priority for the government. This has been reflected in strategic and technological metamorphoses of the Indian telecommunications sector to promote the universal accessibility of a wide range of modern telecom services provided by multiple service providers in a well – regulated competitive environment stimulating economic growth, encouraging fair competition and social cohesion. It is based on the fundamental assumption that with the metamorphoses of communication sector mobilization of people can be enhanced thereby resulting into enhanced economic growth. Thus this convergence will have compounding impact on the economy to respond to the emerging demands. The facilitation of human development in terms of generating better avenues for growth and also providing quality services though ICT is attainable by incorporating the genuine expectations into the policy-frames. The pertinent thrust would be to identify the mechanics of achieving human development by creating a viable environment for this sector to take firm roots in India. In recent years, high financial returns on telecom

services and the benefits they imply in harnessing critical concerns of human development have been increasingly recognized. The importance of rural telecom for any country in general and in particular for India, whose 74% of population still lives in villages and agriculture provides livelihood to 65% of population, is significant and well-established. This paper offers insight into the importance of increased rural coverage from the point view of economic development.

Today Indian telecommunications industry has the higher growth rate in the world. India has the second largest telecom network in the world after China. Presently, the country has one of the cheapest mobile communication services available anywhere in the world. Telecom sector has continued to grow even during the period of economic contraction in India. Teledensity has shown a phenomenal increase from a mere 1% in 1991 to 16% in 2006 and is currently 34%. This increase reflects the potential of sector to further grow to provide leverage to economic sustenance. However unprecedented growth of Indian ICT and telecom sector is attributable mainly to the factors like strong macro economic fundamentals; modernized policy environment; consumer affordability which have been addressed later.

The ICT along with telecommunications is now outreaching people with different aims and objectives. Through Web portals in different areas such as e-education, e-commerce, e-banking, e-taxation, e-travel and tourism, lives of common person is witnessing a new change. Such a change is capacitating people with more focused vision about setting right priorities of development. Apart from priorities, people's participation at grass-root level is also mobilized thus connecting various components of the system into a more composite system of effective governance. This paper deals with the changing patterns of strategic decisions that have contributed to the steady transformation of the entire telecommunication sector. This aims at examining the transformation of ICT linked telecommunications sector in India, the visibility

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