

## Measurement of Digital Divide among Indian States

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***Abstract***

*Digital divide is considered as a major driving force of economic inequality in an economy. India, currently has the highest number of internet subscribers in the world despite its late adoption of digital technology. Variation in the rate of diffusion of digital technology across Indian States is conditional on five drivers of digitalization. This paper identifies the determinants of digital divide and constructs a composite index of digitalization using PCA (Principal Component Analysis). Variation in the index shows that digital divide is present across the Indian States. However, the drivers responsible for this divide vary across the States.*

**Keywords:** Digitalization, Digital Divide, PCA, ICT

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