



COVID-19 AND THE ROLE OF DIGITALISATION IN THE INDIAN ECONOMY (IN THE PRESENT CONTEXT)

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ABSTRACT

Digitalisation involves online transaction, as digitalisation of the economy is the usage of electronic mode of transaction for receipts and payments of the country, as most of the developed economies in the world like USA, Japan were using more online transactions some decades back, as it provides benefits for the consumers, producers by saving time, availability in lower cost and reduces the cost of transportation to purchase any products in the country, like education, banking insurance hotel services, and commerce sectors. India is one of the fastest growing developing economy in the world after China, with an average GDP (Gross Domestic Product) of around 7 percent from 2015-2019, India's internet economy is expected to double from US\$ 125 billion as of April 2017 to 250 billion by 2020. India's E-commerce revenue is expected to jump from US\$ 39 billion to US\$ 120 billion in 2020, growing an annual rate at 51 percent, due to Covid-19 most of the states in India were in Lock down situation after March 2020, there is a need for all the sectors in the economy for Digital inclusion to achieve the goal of the country that is "Digital India". India can try to improve to make payments and receipts in unorganised sectors through online digital mode, like digital card payments like ATM (Automated Teller Machine), Rupay, Visa, Maestro, online shopping by promoting central governments schemes like "Make in India", export promotion trade schemes. India can use this global pandemic situation by making flexible investment destination in the globe, As most of the global giants are spacing away from China to make investment or to open start ups in China, the purpose of this study is to Make India self-reliant by implementing various schemes, E-commerce promotion during covid-19 epidemic situation

KEY WORDS: Digital technology, Covid-19, Indian Economy, E-Commerce and online education.

I. INTRODUCTION

India's E-Commerce is gaining its significance during covid-19, as most of the consumers are not interested in offline shopping, because shops, malls, theatres and educational institutions are closed during lockdown period, Covid-19 has caused an inflexion in e-commerce penetration in the globally driven by the consumers need for consumer, convenience and safety, even in

India online is gaining salience, due to consumers unwillingness to step out to buy commodities in shops, malls and restaurants, teaching in Indian institutes are conducted in online mode from March 2020, especially the private institutes and universities are importing digital technological tools and applications, like "Google meet, Zoom cloud meetings, Lark" etc, are used more than before in the country. India has a greater challenge during and



post Covid-19 situation, first one is to invest and to implement Digital technology in both public and private sectors like education, e-commerce, as it was very essential during covid-19 situation, second one is to improvement in the growth of the nation by increase in GDP (Gross Domestic Product) by technical inclusion in the Indian economy, third one is to promotion of e-commerce in the Indian economy in primary, secondary and tertiary sectors through digital inclusion in making nation into-self reliant India during and post covid-19 situation.

II. REVIEW OF LITERATURE

NICHE BUSINESS

A Study conducted Deloitte; "Future of E-commerce Uncovering innovation" notes the raising culture of start-ups focusing on niche areas that tend to serve everyday purposes of the customers

WHO:

"A pandemic is a worldwide spread of new disease. An influenza pandemic occurs when a new influenza virus emerges and spread around the world and most of the people do not have immunity".

WTO

The term "electronic commerce" is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means.

III. NEED OF THE STUDY

1. Ecommerce is a positive factor for sustainable development of the Indian Economy, with greater accountability and convenience during covid-19 lockdown situation.
2. The emergence of Covid-19 is posing challenge to the Indian Economy to resume economic activities internally and externally
3. To understand government fiscal policies, packages to overcome the problem of health crises, with suitable fiscal policies to achieving India's goal "Self Reliant India or Atmanirbhar Bharat".
4. India has to implement properly government schemes like digital India and Make in India, because India still use most of the foreign developed technology in some sensitive fields.

IV STATEMENT OF PROBLEM

covid-19 has brought uncertainty in resuming supply and demand in economic activities in India, most of the developed economies use online transaction or e-transactions in all economic and business activities, But India is slowly gaining the importance of e-commerce, from March 24, 2020 lockdown, the government of India has to offer more sops and opportunities for the manufacturers to produce, innovate globally efficient products of global standard, to increase the demand for self reliant India scheme through usage of e-commerce and technology.

V OBJECTIVES OF THE STUDY

1. To understand the economic, social impact caused by Covid-19 epidemic in India.
2. To understand the importance of e-commerce and government economic policies to promote India into self reliant economy.
3. To enables sustainable growth of e-commerce, production and promotion of domestic goods internally and externally during covid-19 and post covid-19 by Indian Economy.
4. Indian Economy can Make use of Covid-19 situation, by using the present pandemic, where most of the developed Economies, MNC's (Multi National companies) are moving away from China, or they are not interested in investing in China. India can try to invest in technology for the promotion of e-commerce.
5. India can try to be a digital economy, by trying to implement e-transaction of exports and imports in this lockdown situation and can try to increase the flexibility in countries growth in various sectors, where India is finding hard to development in education, trade during pandemic situation.

VI RESEARCH METHODOLOGY

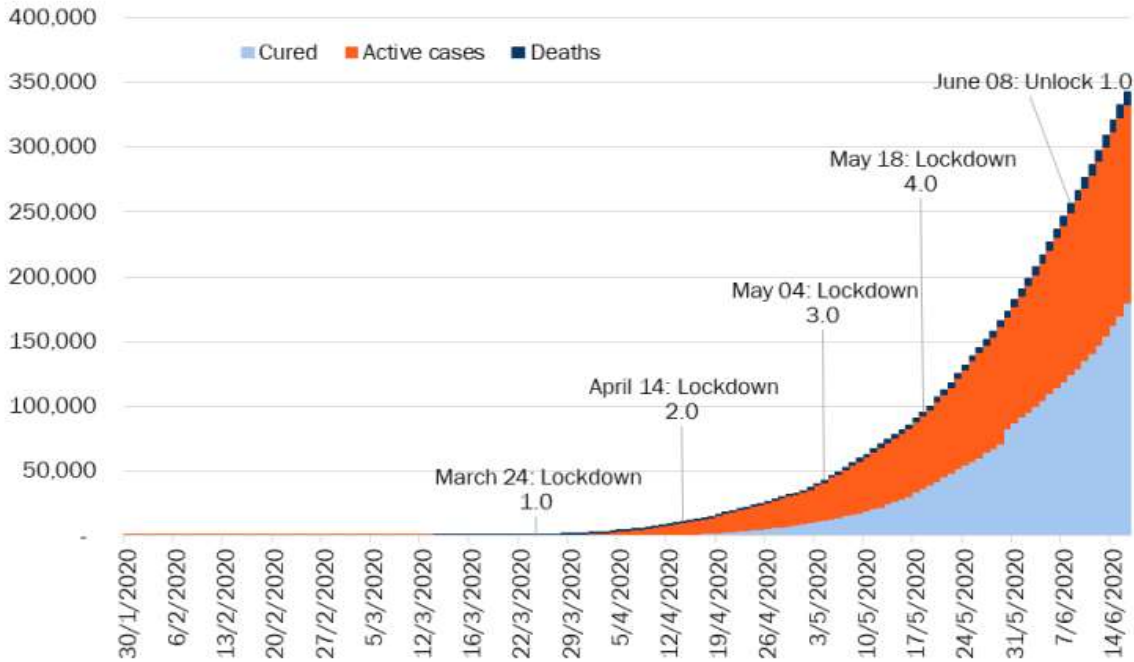
This research output is the outcome of an overview conducted on covid-19 and its impact in India, opportunities to promote digitalisation in e-commerce and making India self reliant Economy in the Indian context experimental approach, during pandemic situation. It uses secondary data for analysis, discussion with expert part of research work.



VII RESULT AND DISCUSSION

1. COVID-19 CUMULATIVE CASES IN INDIA IN 2020.

Figure 1. Total (cumulative) number of cases of COVID-19 in India



Source: Ministry of Health and Family Welfare, Government of India.

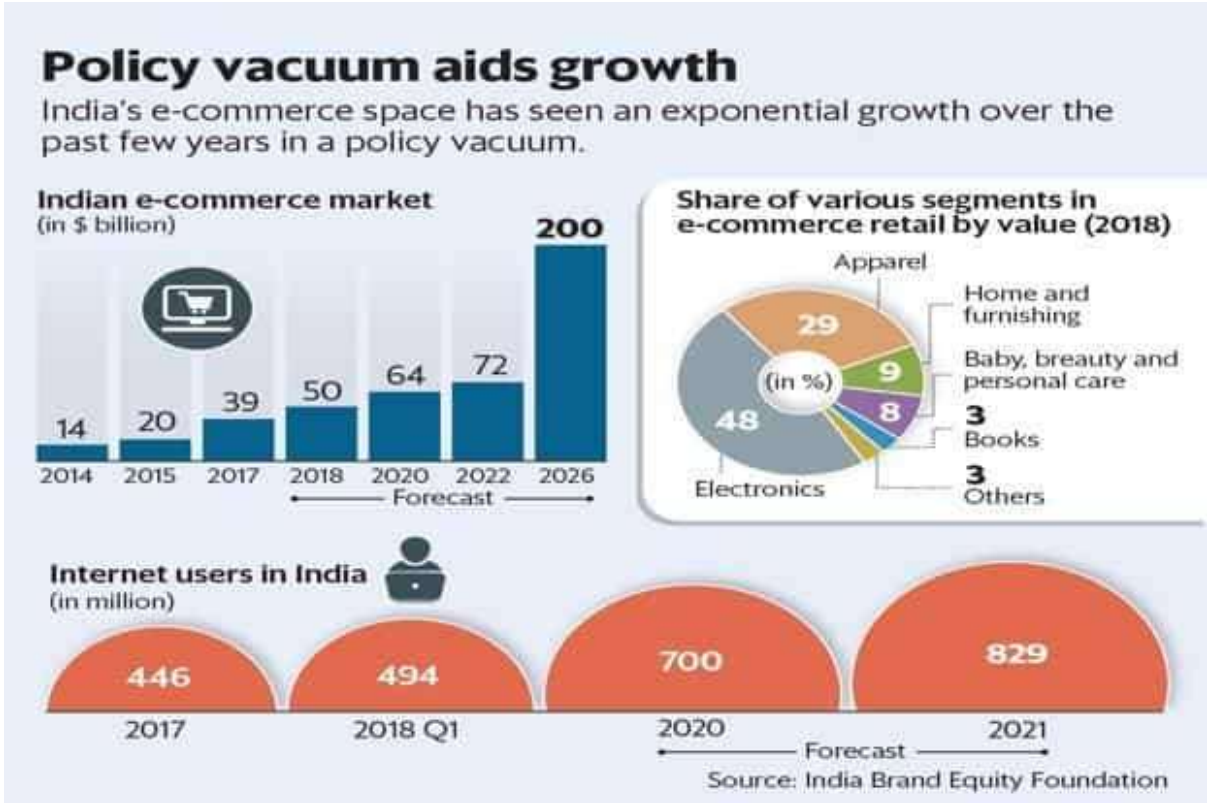
BROOKINGS

The graph indicates the rise in total number of covid-19 cases, which made Indian economy to implement national lockdown in most of the parts of India, during the lockdown phase 1 and 2, the Economic activities in India was almost standstill, this resulted in decrease in demand for petroleum products, oil,

sales and business activities, but after lockdown 3 and 4 there was some concision given to some development and economic activities, unlock phase after June 8 resulted in resuming Economic activities but drastic increase in covid-19 cases in India.



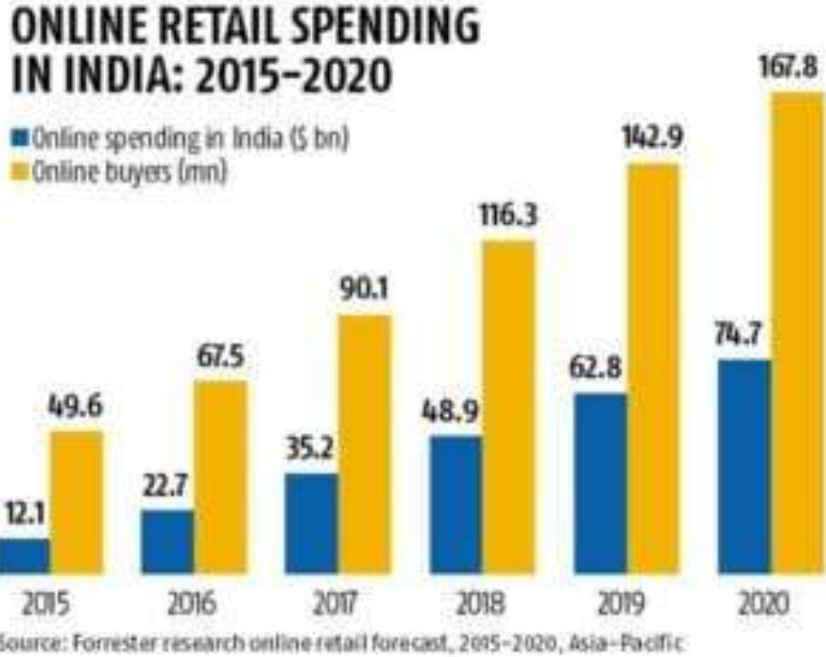
2. E-COMMERCE RETAIL SHARE IN INDIA



The graph indicates the future of the Indian E-commerce in a development stage, where India may reach \$200 billion in E-commerce by 2026, with the increase of internet users from last one decade, India has increased its online trading, purchases during

covid-19 pandemic situation. Many forecasts have indicated that India is within top 5 positions in number of internet users in the world.

3. ONLINE BUYERS AND ONLINE SPENDING IN INDIA.





The graph the increase in the number of internet users in Indian Economy, by the report of Asian pacific, in the recent trend the shopping of all consumer goods are purchased in E-transactions, which indicates the growth of E-commerce sector in India, but in 2020 the statistics indicates the greatest increase in online shopping due to the fear of Covid-19, majority of consumers are not interested in offline shopping. India has comparative advantage in growth of E-commerce due to free service and multi polarism in trade by online MNC'S and e-commerce entrepreneurs in India which is ahead to reach self-reliant India, with growth in Indian Economy.

VIII FINDINGS

1. Covid-19 has emerged as bigger challenge for Indian Economy to retain development in various sectors, due to covid-19, where service sector is worst hit including education field; it may cause inflationary pressure in the Economy.
2. According to reports published by International Monetary Fund (IMF) and Central Statistics Office (CSO), India is among the fastest growing economies in the world. Among several factors, a conscious patronization of online commerce, and an emergence of retail as a dominant market segment have contributed to the unprecedented growth of ecommerce in India.
3. For the financial year 2016-17, ecommerce sales reached the US \$16 billion with a projection of a seven fold growth within the next two fiscals as estimated by Morgan Stanley. By 2020 online commerce sales is expected to cross \$120 billion. is one of the positive factor for India's goal Atmanirbhar Bharat
4. India can emerge as major producer of medical, pharmaceutical, technology based innovative products in primary, secondary and tertiary products in global standards, as India is 3rd largest PPP (Purchasing Power Parity) economy, and India can try to become major exporter of the above products where India has comparative advantage through technical implementation.

IX RECOMMENDATIONS

1. The three principal driving factors for this growth in ecommerce sector of India, Participation of niche companies in online trading unmatched FDI (Foreign Direct Investment), Indian economy has to increase the investment and tax concessions to face challenges like Covid-19 or post covid-19 imbalances

2. Uniform GST (Goods and Services Tax) is a positive factor to growth of E-commerce, but India has to invest largely in infrastructure, declines for online trading to reach facilities to the last person in the country, villages, and rural remote areas, like in online education, sales promotion, and commercial companies, to increase in efficiency.
3. Relief packages to promotion of MSME (Micro, Small and Medium Enterprises), which contributes around 30 percent of Indian GDP (Gross Domestic Product) and start ups to overcome the economic crisis in Indian economy, which is caused due to epidemic disease.
4. covid-19 has its impact in India, global world causing economic and business crisis, due to imbalances in demand and supply of various products. India has absolute advantage in production of Agricultural, pharmaceutical industries, small scale industries, MSMSs and some other sectors. India can turn the tide by producing and exporting these absolute advantage sectors for the global need and achieving "Make in India" aim to be successful.

X CONCLUSION

Indian Economy can be said as one of the top markets for MNC's and for selling their consumer goods in Indian markets. Agriculture contribution was the backbone of the India's growth after independence, till 1991 AD, after LPG (Liberalisation Privatisation and Globalisation) many sectors like service sector, manufacturing and some sectors contributed to growth of the Indian economy. But India still depend more on imports of oil, petroleum products from OPEC countries, technology from developed nations, defence equipments from USA, Russia and Israel, and elite and educated people moving abroad for increase in standard of living. That to Covid-19 emergence has made Indian economy has aim to self reliant India form of Atmanirbhar Bharat Abhiyan, which was announced by PM Modi on policy announcements in June 2020 to reduce imports, increase in Exports and increase in Employment opportunities for over 1.3 billion population, which consists more working age population.

Indian government has announced some essential schemes like Make in India, self reliant India, and Start up India in recent years to increase in production, efficiency, output in domestic industries and other sectors, but Covid-19 has made Indian government to announce 20.97 lakh crore economic stimulus package between March 26 and May 17, balancing demand and supply of oil, food grains, packages for unorganised sector workers has made



Indian economy's growth to slow down, India has to rethink in investment and need innovative fiscal, monetary measures to overcome three challenges India is facing. First one is to control or to overcome covid-19, which is health emergency. Second one is to increase in quality, quantity of output that is export value with promotion of E-commerce for achieving Digital India, Self reliant India. Third one is India to become global power in production in all the sectors that is primary, secondary and tertiary sectors to overall increase in National Income.

XI LIMITATION

1. Covid-19 has created imbalance in demand and supply in the Indian Economy in various growth sectors had contribution of many sectors has been standstill due to 40 days of the India lockdown.
2. E-commerce sector of India has to be promoted in global level, to increase the potential of India's exports, India's trade policy has to liberalised according to the need of present development during covid-19 and post pandemic period.
3. There is huge role to be played by Indian government to be self reliant, as five pillars of it has to be improved by essential fiscal policy, that is Economy, Infrastructure, system, demography and demand, but Indian infrastructure, system is not up to the mark when we compare to other developed economies.
4. Indian government preference to health emergency due to pandemic has made India's GDP growth rate prediction to below 4%, according to the report of ADB (Asian Development Bank)
5. Indian economy is projected to contract by 10.3 percent in 2020, and to bounce back to 8.8 percent, according to data projected by IMF (International Monetary Fund).

XII SCOPE

Covid-19 has made Economic crisis worldwide, affecting billions of people around the globe including India, Economists and business analysts are not sure about the end of pandemic or when the specific medicine to be available, but the scope of the research has wide areas for Indian Economy to bounce back as one of the fastest growing Economy (fastest developing country) in the world, e-commerce which is expected to increase in significant growth in the next 5 years, according to the recent reports of WTO (World Trade Organisation). The availability of 3G/4G to the users in India has increased 10 percent annually in 2018, and expected to increase in year 2020, e-commerce has led to innovations on deliver time and hassle free

functioning and digital transactions, Indian Economy with implementation of GST has led to raise in E-commerce transactions, India can be self reliant within some sort of years by flexible fiscal and monetary policies to boost the growth supporting sectors, that is service sector, e-education, e-commerce, by the use of technology in the Indian Economy.

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