



Socio-Economic Repercussions of Covid-19 Pandemic

Editors

**Dr. M. Shahid Jamal Ansari,
Dr. Ana Mateen,
Dr. Vidyasagar S. Singaram**





Victorious Publishers (India)

D-5 G/F, Ground Floor

Pandav Nagar, Near Shanti Nursing Home

(Opposite Mother Dairy), Delhi-110092

E-mail: victoriouspublishers12@gmail.com

Mob.: +91 8826941497; +91 7042439222

Branch Office:

House No. 152, Road No. 12, Patel Nagar, Hatia,
Ranchi-834003 (Jharkhand)

E-mail: victoriouspublishersjharkhand@gmail.com

Mob.: +91 8826941497; +91 7042439222

Copyright©: Editors

First Published: July 2020

ISBN: 978-93-87294-40-0

© All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without the prior written permission of the Editors and Publishers.

Contents

<i>Preface</i>	v-vi
<i>Contributors</i>	xi-xiii
1. Why Some Societies are Happier in the Time of Covid-19 – An Analysis of Kerala Based on the World Happiness Report	1-11
<i>Dr. Bindu Balagopal & Dr. Chacko Jose P</i>	
2. Women Leadership in Environmental Impact Assessment: Issues, Challenges and Framework for Sustainable Governance	12-24
<i>Charles Chikodili Anukwonke</i>	
3. COVID-19 Epidemic Response: The Chinese Knowledge and Consequences for Other Countries: A Mini Review	25-34
<i>Kashif Abbass, Hua Ming Song & Dr. Ana Mateen</i>	
4. Sustainable Business Practices for the Post-Covid Age	35-46
<i>Dr. Sudeep B. Chandramana</i>	
5. Strategies for Mitigating COVID-19 Impact on Economy	47-55
<i>P. Spoorthy</i>	
6. Impact of the Covid-19 Outbreak on Digital Payments: A Case Study of Irinjalakuda Municipality, Kerala	56-64
<i>Nijil Jacobi</i>	
7. Prudent HR Measures in Post Covid Scenario	65-71
<i>Dr. D. Pranathi</i>	

8. **Impact of COVID-19 Pandemic on Global Economy** 72-82
Jyoti
9. **Socio-Economic Impact of Covid-19 Pandemic on the Global Economy-With Special Reference to Migrant Workers in India** 83-99
Dr. Surpreet Sahai
10. **Economic Opportunities and Challenges in Developing Nations Post COVID-19 Pandemic** 100-110
Dr. Puneet Kaur
11. **Economic Impact of Pandemic 2020 in the Bollywood Industry** 111-120
Jai Kishon Goswami
12. **The Gendered Impact of Pandemic: In View of Economic Downturn and Eco-feminists Construct** 121-128
Kalpana Singh
13. **A Macro Level Study of Economic Repercussions of COVID-19 Pandemic on Global Economy** 129-144
Shumayela Hasan
14. **The Current and Future State of Sharing Economy in India: Amid COVID-19 Pandemic** 145-153
Dr. Bhushan Pardeshi, Dr. Padmalochana Bisoyi & Dr. Pranita Burbure
15. **An Empirical Study of the Economic Repercussions of COVID-19 on Indian Economy** 154-159
Vaishali Singh
16. **Socio Economic Impact of COVID-19 on Human Lives: A Sociological Inquiry** 160-169
Tabbasum Maqbool & Wasia Hamid
17. **COVID-19: Influences and Crucial Role of Self-Help Groups** 170-185
Dr. Apeksha

The Current and Future State of Sharing Economy in India: Amid COVID-19 Pandemic

Dr. Bhushan Pardeshi, Dr. Padmalochana Bisoyi &
Dr. Pranita Burbure

Abstract

Today, Ola, Uber, Oyo Rooms, Zomato are the integral part of our society thanks to the high mobile penetration, high millennial concentration and an aspirational population. Actually these companies are operating by sharing the resources and assets, which is called sharing economy. The concepts of 'sharing' and 'economy' have become increasingly co-joined to describe emergent means of enjoying, acquiring or exchanging goods, services, knowledge, and experiences together with others, often mediated with digital technologies. From the various reports, within ten years, the five major sharing economy sectors, including peer-to-peer lending, online staffing, accommodation, car sharing, and music and video streaming will generate more than 50 per cent of the total global revenue. In 2019, the segment was estimated to be over \$1.5 billion in size in India. While 68 per cent of the workers in the sharing economy are between 21-44 years old, their users are spread across all age ranges.

The Sharing economy goes off the rails as COVID-19 crisis deepens, the turmoil caused by the outbreak of Covid-19 and the lockdown is expected to derail India's sharing economy. In the short term, the companies are likely to suffer from weak consumer demand, supply-chain disruptions and shortage of manpower, leading to poor growth rates. The purpose of this paper is to study the current challenges faced by the sharing economy in the COVID-19 Pandemic and what will be the future after the Pandemic in India. The paper also discuss the new innovative trends may emerge in the sharing economy.

Keyword: COVID-19, Digital technology, Pandemic, Sharing Economy

Introduction

Nearly seven decades ago, Joseph Schumpeter the well known economist predicted that competition from “the new commodity, the new technology, the new source of supply, the new type of organization” would be more relevant than perfect competition. Schumpeter described it as competition which “strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives.” (Schumpeter, 1990). The sharing economy, generally defined as “the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” (Hamari et al., 2015) will soon be an inseparable part of our economy. Many have suggested alternative names (Chandler, 2016) for this phenomenon, such as gig economy, platform economy, access economy, and collaborative consumption. When one thinks of the Sharing Economy, one typically thinks of the global “ridesharing” application, Uber, OLA or the house-sharing platform, Airbnb or OYO Rooms and the food/restaurant sharing Swiggy, Zomato, etc. These companies are just some of the global firms that have been built on the premise that a consumer’s underused or spare fixed assets can be shared – a business model that is currently worth USD 26 billion globally (Botsman, R., & Rogers, R. 2011).

Together with the Internet and mobile phones, the evolution of the Sharing Economy has led to increased digitalization; the more efficient sharing of goods, services and information; and faster and more effective internationalization among new firms due to reduced transaction costs. Indeed, many argue that the Sharing Economy is a “social revolution” because it is leading to the transfer of power from a few large firms to a multitude of loosely connected actors.

Projected growth rate of sharing economy and traditional rental, 2013 and 2025

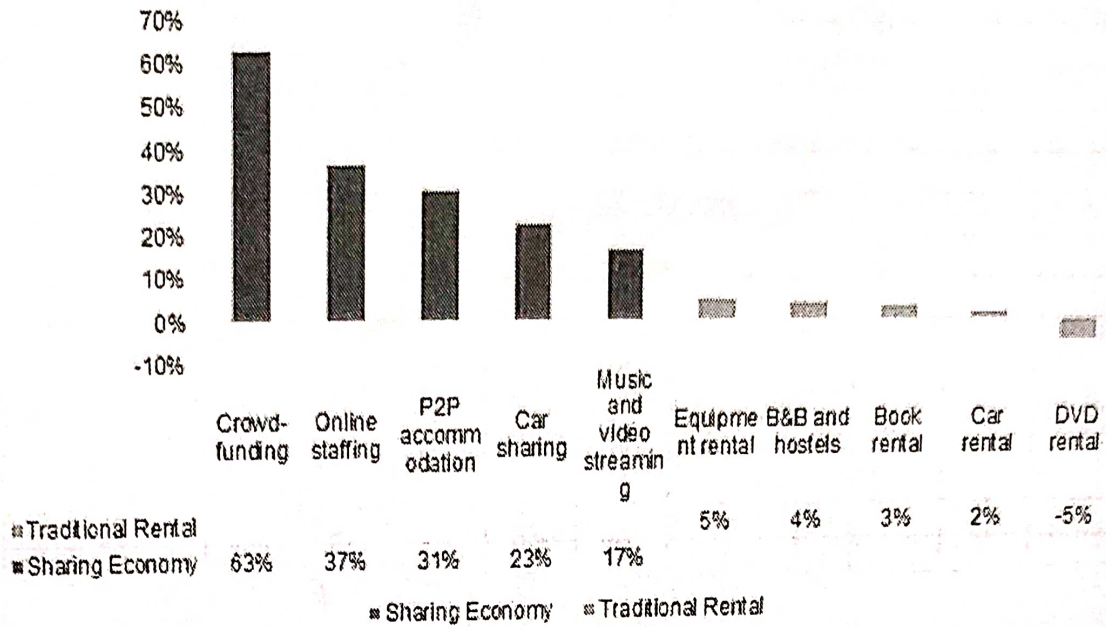


Figure 1: Projected growth rate of sharing economy and traditional rental 2013 and 2015.

As the figure above shows, in the next ten years, the increase in revenues from the traditional rental industry will be modest in comparison to the explosion in revenues in the shared economy. The PwC report from 2014 disaggregates this growth across sectors. And as shown in the next figure, the growth projections from the shared economy is significantly higher in sectors such as crowd funding, online staffing, car sharing, and others. The growth projections are significantly lower in traditional sectors such as equipment, cars, and DVD rentals.

Factors in the Rise of Sharing Economy

As already stated, technological developments – and the advance of digitisation – are the driving force behind the emergence and rapid growth of sharing platforms. However, increasing urbanisation and growing environmental awareness are also decisive factors. Finally, financial motives may likewise be contributing to this development, both among consumers and among suppliers of goods or services.

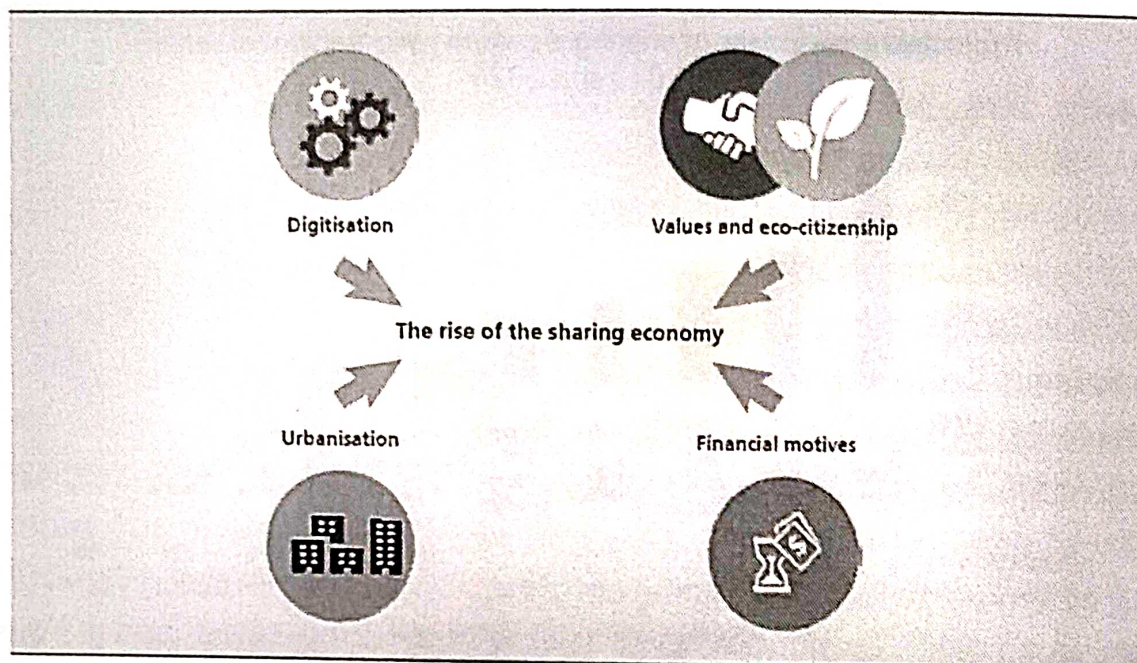


Figure 2: Trends underlying the development of the sharing economy.
Source: Basselier, R., Langenus, Walravens, L. (September 2018). The rise of the sharing economy

Future Growth of Sharing Economy

The world has witnessed a steep rise and penetration of the sharing economy facilitated by the growing digital platform and willingness of consumers to try mobile apps that facilitate peer-to-peer business models, shared entrepreneurial enterprises etc. We are moving from the 20th century model where the corporation accumulates resources and produces goods and services toward the 21st century model where we can avail certain platforms.

From the various reports, within ten years, the five major sharing economy sectors, including peer-to-peer lending, online staffing, accommodation, car sharing, and music and video streaming will generate more than 50 per cent of the total global revenue. In 2019, the segment was estimated to be over \$1.5 billion in size in India. While 68 per cent of the workers in the sharing economy are between 21-44 years old, their users are spread across all age ranges. Researchers at PwC analysed ten different industry sectors and estimated that within ten years, the five major sharing economy sectors, including peer-to-peer lending, online staffing, peer-to-peer accommodation,

car sharing, and music and video streaming will generate more than 50 per cent of the total global revenue, up from only five per cent of their current share (Vaughan & Hawksworth, 2014). According to Statista, a data portal, revenue in the ride-hailing segment in India was expected to post a compounded annual growth rate of 13.5% from 2020 till 2023, achieving a market volume of \$54.09 billion by 2023. Online food delivery was pegged to grow 9.5% between 2020 and 2024, according to Statista, resulting in a market volume of \$13.2 billion.

The Impact of Covid -19 Pandemic on Current State of Sharing Economy

The turmoil caused by the outbreak of Covid-19 is expected to derail India's gig economy, which was projected to achieve a market size of \$455 billion by 2023 by industry group Assocham. Led by online food delivery firms Zomato and Swiggy, ride-hailing companies Uber and Ola, online homestay brand Airbnb, hospitality chain Oyo and a host of other shared economy companies, the sector is bracing itself for unforeseen challenges as lives are unlikely to return to normal even after the completion of the 21-day lockdown, which could also be extended. In the short term, the companies are likely to suffer from weak consumer demand, supply-chain disruptions and shortage of manpower, leading to poor growth rates. The immediate impact of the Covid-19 scare is likely to happen in the gig economy with people remaining apprehensive of any physical contact and thus refraining from availing most such services such as ordering cabs and food to grooming services at home and staying in shared spaces.

With the mobility industry coming to a grinding halt due to the pandemic, it will be a tall task to achieve those numbers. Both Ola and Uber have suspended operations in most large cities to comply with government restrictions during the lockdown. However, the numbers may be revised as consumers remain cautious and refrain from ordering food online. Besides, restaurants and pubs in most large cities have been ordered to shut by the government. Although they are allowed to operate only as delivery and takeaway joints, yet orders for Zomato and Swiggy have been hit. "It's difficult to put a number to

it but the food ordering business is down significantly. However, some quick-service restaurants continue to deliver,” said Rajat Wahi, partner at Deloitte. For online delivery firms, a major constraint has been the curbs imposed on the movement of their workers and harassment from police. While several cities have stepped up efforts to ease their movement, large food aggregators have been working at a delivery staff strength of between 20% to 30%. Zomato did not comment on the drop in orders but said it was working on initiatives to safeguard its stakeholders. Swiggy declined to comment. Meanwhile, Abhiraj Bhal, co-founder of home services start-up Urban Co. (formerly Urban Clap), has also seen his business come to a halt. Once the lockdown is lifted, it can be expected that in certain categories such as cleaning and sanitization as well as beauty and haircuts to grow. Massage, on the other hand, could be negatively impacted so the company will put tangible relief plans for partners in place, he added. With a complete lockdown in the country and a temporary suspension of all modes of transport including domestic and international flights, the travel and hospitality sector has been severely hit. While hotels are already being impacted, home-sharing platforms such as Airbnb may face bigger challenges even when business resumes and normalcy returns.

Future State of Sharing Economy due to Covid-19 Pandemic

Increased mobility of the workforce in the digital age has contributed to trends toward the gig economy. The fluidity of job locations allows independent contractors to create short-term jobs that in turn give way to freelancing choices, and the contractors can hire the best individuals for specific projects. Because of the fluid nature of jobs in a gig economy, companies can save on physical resources and maintain a cost balance which would have, in the traditional setting, included the cost of renting office spaces, and hiring staff. Due to the lockdown and restriction on the non-essential services and commodities many sharing economy companies have started home delivery of essential services and commodities, like swiggy and amazon have started home delivery of essential groceries and personal care, safety and hygienic goods delivery.

Regulators are inherently reactive, and very slow to respond to changes in the sharing economy. They play a catch-up role In the digital age, technological advancements bring increasing efficiency. However, existing regulatory organizing bodies lack coordination between the different levels of the government

Conclusion

The sharing economy clearly does not represent more than a tiny fraction of total value added at macroeconomic level but the industry is growing at a very fast. Nevertheless, this new form of economy has generally recorded dramatic growth in recent years – driven not only by technological developments but also by the changing value models in society – and most forecasts predict that it will continue to gain importance in the coming years. The economic influence of the sharing economy and, more generally, the activities concerning digital platforms, also extends beyond just its share of value added : the resulting increase in transparency and competition in the various branches of activity is curbing price rises and also boosting efficiency in traditional firms.

The Sharing economy goes off the rails as COVID-19 crisis deepens, the turmoil caused by the outbreak of Covid-19 and the lockdown is expected to derail India's sharing economy. For now, the biggest challenge the shared economy companies face is of a sharp reduction in manpower. Since India announced a strict lockdown last week, thousands of migrant workers were seen returning home to their villages due to the uncertainty of future employment opportunities.

References

- Botsman R. (2013). The Sharing Economy Lacks A Shared Definition Retrieved April 17, 2020 from <https://www.fastcompany.com/3022028/the-sharing-economy-lacks-a-shared-definition>).
- Botsman, R., & Rogers, R. (2011). What's mine is yours: how collaborative consumption is changing the way we live. London: Collins.
- Campbell, H. (2016, August 1). Top 9 Ways To Contact Uber Support When You Need Help. The Rideshare Guy, p. 1. Retrieved April 17, 2020, from:

<http://therideshareguy.com/top-6-ways-to-contact-uber-when-you-need-help>

- Chandler, A. (2016, May 27). What Should the “ Sharing Economy ” Really Be Called ? The Atlantic, p.1. Retrieved April 17, 2020, from: <https://www.theatlantic.com/business/archive/2016/05/sharing-economy-airbnb-uber-yada/484505/>.
- Cohen M. and Sundararajan, A. (2015). Self-Regulation and Innovation in the Peer-to-Peer Sharing Economy. *University of Chicago Law Review Online*, 82 (1), 116-133.
- Ernst & Young. (2015). The rise of the sharing economy: The Indian landscape. Retrieved April 17, 2020, from: [http://www.ey.com/Publication/vwLUAssets/ey-the-rise-of-the-sharing-economy/\\$FILE/ey-the-rise-of-the-sharing-economy.pdf](http://www.ey.com/Publication/vwLUAssets/ey-the-rise-of-the-sharing-economy/$FILE/ey-the-rise-of-the-sharing-economy.pdf)
- Hall, J., & Krueger, A. (2015). An Analysis of the Labor Market for Uber ’s Driver-Partners in the United States, 29. Retrieved April 17, 2020, from: https://s3.amazonaws.com/uber-static/comms/PDF/Uber_Driver-Partners_Hall_Kreuger_2015.pdf
- Hamari, J., Sjöklint, M., & Ukkonen, A. (2015). The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology*. Retrieved April 17, 2020, from: <https://doi.org/10.1002/asi.23552>
- Kyle stock. (March 22 2020). Sunday Strategist: The Sharing Economy May Never Be the Same. <https://www.bloombergquint.com/businessweek/sunday-strategist-the-sharing-economy-may-never-be-the-same>
- Munger, M. C. (2016). Tomorrow 3.0: The Sharing Economy, *The Independent Review*, 20(3), 6. Retrieved April 17, 2020, from: http://www.independent.org/pdf/tir/tir_20_03_11_munger.pdf
- Price Waterhouse Cooper (n.d.). Retrieved on 15th May 28, 2020 from <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-therevenue-opportunity.jhtml>
- Price Waterhouse Coopers. (2015). Consumer Intelligence Series "The Sharing Economy", 1-30. Retrieved April 17, 2020, from: <https://www.pwc.com/us/en/technology/publications/assets/pwc-consumer-intelligence-series-the-sharing-economy.pdf>
- Schumpeter, J. (1990). Socialism and Democracy. In *Thesis Eleven* (Online Edi, Vol. 26, pp. 54-77). New York: Routledge. Retrieved April 17, 2020, from: <https://doi.org/10.1177/072551369002600105>
- Shastry, S. (April 27, 2020). How the pandemic will impact the sharing economy <https://www.thehindubusinessline.com/specials/emerging-entrepreneurs/how-the-pandemic-will-impact-the-sharing-economy/article31447022.ece>

Sundararajan A. (2016). *The Sharing Economy, The End of Employment and the Rise of Crowd-Based Capitalism*, Cambridge, Massachusetts and London, England, The MIT Press.

The Economic Times (Mar 28, 2020). The sharing economy faces the abyss in a pandemic Retrieved on May 5, 2020 from <https://economictimes.indiatimes.com/small-biz/startups/features/the-sharing-economy-faces-the-abyss-in-a-pandemic/articleshow/74857984.cms?from=mdr>
www.dealstreetasia.com/stories/gig-economy-derailed-covid-19-181923

- ❖ Dr. Bhushan Pardeshi, Assistant Professor, Pimpri Chinchwad Education Trust's, S.B. Patil Institute of Management, Sector 26, Nigdi Pradhikaran, Pune 411044, Maharashtra, India.
- ❖ Dr. Padmalochana Bisoyi, Assistant Professor, Pimpri Chinchwad Education Trust's, S.B. Patil Institute of Management, Sector 26, Nigdi Pradhikaran, Pune 411044, Maharashtra, India.
- ❖ Dr. Pranita Burbure, Assistant Professor, Pimpri Chinchwad Education Trust's, S.B. Patil Institute of Management, Sector 26, Nigdi Pradhikaran, Pune 411044, Maharashtra, India.