

“THE STUDY OF IMPACT OF E-COMMERCE ON EMPLOYMENT IN INDIA”

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Abstract

This paper reveals the Impact of E-commerce on Employment in India. The e-commerce has transformed the way business is done in India. In India with the digital penetration has increased significantly, according to statistical data internet use has increased to 429.23 million user in India and is expected to reach around 830m by year 2021. In this paper we will look towards the impact of E-Commerce on employment. The Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 604.21 million as of December 2018. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by e-commerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world. This Research Paper also talks about Logistics and Warehousing sector, due to e-commerce how this sector is growing tremendously and to contribute almost 55 per cent to direct employment opportunities in e-retail. Also e-retail is expected to add 0.4 million high-skilled jobs by 2021. As per government initiatives like Make in India, Digital India, Start-Up India, Skill India will fuel growth and generate further employment for e-commerce.

Keywords:- E-Commerce, Employment and Growth.

Meaning:

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.

Introduction:

India is rapidly marching towards becoming a digitally empowered society. The push for e-governance, the proliferation of smart phones, increasing internet access and booming digital payments are fueling the country's journey towards a trillion-dollar digital economy by 2025. The emergence and growth of ICT,S are revolving the world of work. They have become integral elements of business, industry and commerce, thus driving the growth of modern economy. E-commerce industry is expected to create direct employment for around 1.45 million workforces by 2021.

Seeing the present scenario, 70 per cent of the online sellers are expected to come from smaller towns by 2018-19. The e-retail business has also encouraged women employment and 20 per cent of online sellers today are women.

Global Digital Marketing & Ecommerce centre report highlights how this impact can be increased multi-fold by facilitating an ecosystem of growth for the industry - developing a skilled workforce, promoting entrepreneurship, improving physical infrastructure, facilitating participation of SMEs and MSMEs, defining clear regulatory frameworks, and providing easier access to funds, etc. This is expected to trigger more than a million jobs, making this sector an important avenue for employment generation in the country. Around 3,50,000 delivery personnel were working with e-commerce companies, according to industry estimates, with jobs expected to grow 18% over the year. This may change if the norms retain their present form.

"We expect e-commerce companies to either figure out a work-around or lobby with the government to take some portions out of the guidelines," said an analyst tracking the space,

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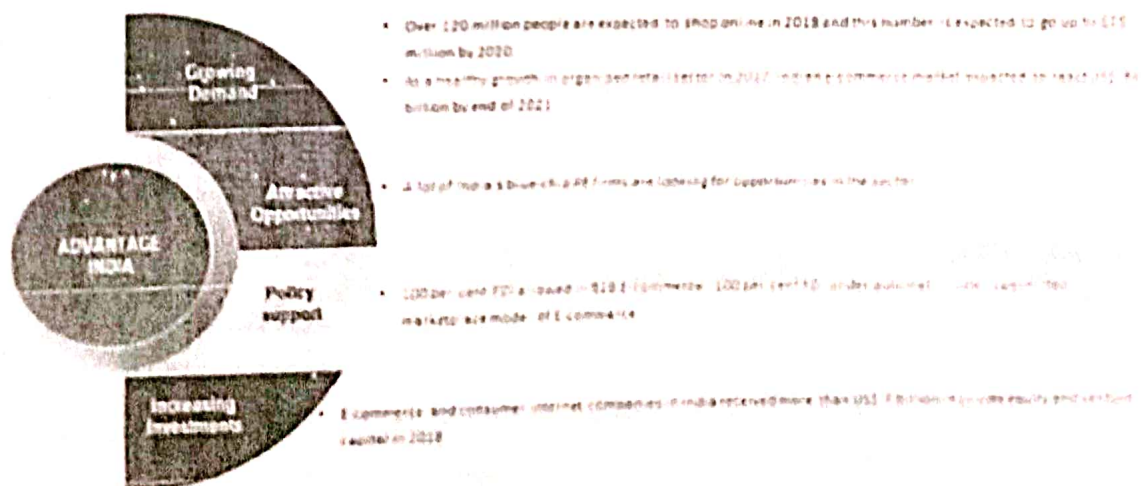
requesting anonymity. "However, if rules stay in their present form, the number of e-commerce orders will go down, warehouse expansion plans may take a hit and the utilization of delivery executives will reduce, leading to significant job losses."

E-commerce is a job creating sector, helping small manufacturers sell their products online.

Meanwhile, Amazon India said in a statement that it remains committed to the sellers on its platform. "With more than 4,00,000 small and medium businesses on our marketplace enabling customer choice to buy anything online, we remain committed to a long term investment in our vision of transforming how India buys and sells and generating significant direct and indirect employment."

E-Commerce is a growing sector in India. Just like the growth of IT industry in India through the 1990, the 2010 will be remembered for the growth in the E-Commerce industry. In its present state the contribution of E-Commerce to GDP is around 0.2% which is expected to grow 15 times to around 2.5% by 2030.

The impact is so huge that the present wave of de-monetization could have not been thought if E-Commerce did not exist. E-Commerce to a large extent helped absorb its shock as well as gained the maximum out of it as well. Reliance to invest Rs 2,00,000 crore (US\$ 2.86 billion) in its telecom business to expand its broadband and e-commerce presence and to offer 5G services.



Objectives of study:

India is one of the largest growing economies of the world. There is heavy use of internet among Indian citizens. The main objective of this research paper is -

1. Impact of e-commerce on employment rate in India.
2. To study the growth and contribution of e-commerce.

Research Methodology:

Method of Data Collection: Secondary data - various research papers, magazine, articles and newspaper have been referred to check. Other than this, various scholar and data from other certified bank and source are used to collect which is interpreted further for data analysis.

Creating an evident impact on employment:

Any industry which is spurred by evolution, the direct impact of the e-commerce growth has been on the creation of employment opportunities across the value chain. Apart from the direct employment contribution that has been made by the e-tail players, allied industries like logistics, warehousing, IT, sellers and SMEs, and other support industries (like payment solutions, marketers, and advertisers.) 55% of e-tail jobs, expected to be the largest contributor at 0.8 million by 2021, driven mostly by the vast number of employees to provide last mile connectivity.

E-commerce - contributing in generating employment:

1. Logistics:

The logistics is the largest contributor to the e-commerce employment. Today it is the biggest opportunity and the biggest challenge in the e-commerce ecosystem since it directly impacts the order fulfillment. The key challenges in logistics are around streamlining the delivery process across various touch points including first mile

logistics, fulfillment, processing, sorting, last mile delivery and reverse logistics. This key dependency on logistics in the entire e-tail value chain, along with the growth of the e-commerce industry, has provided the logistics sector a major thrust. The revenue for the e-commerce related logistics industry is expected to increase 70 times to USD 2.6 Billion (INR 14,300 crores) by 2020.

2. E-tail:

It led employment to grow at 58% CAGR E-tail and the allied sectors, like logistics, warehousing, IT expected to create direct employment for around 1.45 million of workforce by 2021, a significant jump from the 23,500 jobs which existed in 2012. The overall e-tail logistics and warehousing sector to directly employ more than 1 million people by 2021, becoming the largest contributor in terms of employment opportunities created by e-tail.

3. Self-help groups:

Empowering women E-commerce is providing opportunity to women to become independent entrepreneur and enabling them to perform both the roles of a homemaker and a career woman. Recently launched online portal, named Mahila-e-Haat, is expected to benefit around 10,000 self-help groups and 1.25 lakh women.

E-commerce companies - hiring big and the best:

E-commerce companies are adding significant employee strength to support the growth that they are witnessing. Two of the leading e-tail players have increased their combined workforce from less than 10,000 to more than 40,000 employees, within 6-9 years of inception. Global e-commerce players entering the Indian market have also expanded their workforce to make the most out of the industry growth. The organizations are predominantly hiring in technology profiles considered core to e-commerce companies followed by other key functions like product marketing, supply chain, pricing and profit management, customer and seller experience management, merchandising, vendor management, content development, and service. It is not surprising to see that e-commerce companies have managed to attract the best engineering and management brains, and are also heading to Silicon Valley in search to hire the top tech talent.

The e-tail market is expected to emerge as a destination for highly-skilled technology jobs employing nearly 0.3 million people by 2021. Besides technology, the regular corporate functions like HR, finance & accounts, administration, customer care, vendor management, merchandising, etc. are expected to add nearly 0.1 million employees to the workforce by 2021.

Growth of E-commerce in India:

The widespread acceptance of digital is being seen as a catalyst for overall economic growth, and with the combination of favorable demographics and policy reforms, India presents a unique and powerful growth story. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world. Online retail sales in India are expected to grow by 31 per cent to US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. India is a massive market with huge opportunities for ecommerce retail. The country has 1.3 billion people, and while only about 6% of the adult population have a credit card, that is growing at 25% annually.

The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. The e-commerce market is expected to reach Rs 13,97,800 crore (US\$ 200 billion) by 2027 from Rs 2,69,076.5 crore (US\$ 38.5 billion) in 2017. India's e-commerce market has the potential to grow more than four folds to Rs 10,48,350 crore (US\$ 150 billion) by 2022 supported by rising incomes and surge in internet users. Online shoppers in India are expected to reach 120 million in 2018 and eventually 220 million by 2025. Average online retail spending in India was US\$ 224 per user in 2017. Online retailers now deliver to 15,000-20,000 pin codes out of nearly 100,000 pin codes in the country.

E-Commerce and consumer internet companies in India received more than Rs 48,923 crore (US\$ 7 billion) in private equity and venture capital in 2018. Online retail sales in India are expected to grow by 31 per cent to touch Rs 2,28,540.3 crore (US\$ 32.70 billion) in 2018, led by Flipkart, Amazon India and Paytm Mall. Online retail is expected to contribute 2.9 per cent of retail market in 2018.

The Government of India's policies and regulatory frameworks such as 100 per cent foreign direct investment (FDI) in B2B e-commerce and 100 per cent FDI under automatic route under the marketplace model of B2C e-commerce are expected to further propel growth in the sectors.

Conclusion:

The e-commerce industry been directly impacting the micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in e-commerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term. Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025.

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