DOI: https://doi.org/10.52783/tojqi.v10i2.9926

Turkish Online Journal of Qualitative Inquiry (TOJQI)
Volume 10, Issue 2, April 2019: 325-329

Service Patterns and Management Initiatives in Newly Emerging Economies of the World

Dr. Poonam Ojha
Department of School of Management Studies, Graphic Era Hill University, Dehradun, Uttarakhand, India 248002,

Abstract

There was a significant change in the direction of the economy as a whole beginning around the year 2000 and lasting for the next two decades. Total GDP in emerging markets has overtaken that of developed nations during the last several years, with "Emerging Asia and, in particular, China and India, at the vanguard. Developing markets have also witnessed unprecedented growth in trade and investment, with their share in global trade volume rising from 32% in 2000, to 46% in 2019. Also, in 2000, emerging economies attracted only 15% of FDI; this proportion has increased to 46% in 2019. The majority of the world's annual GDP growth has come from this area thus far. Economic downturns have hit all regions as a consequence of the COVID-19 pandemic, with far-reaching impacts on society and the economy." There are signs of economic revival, but they will not materialise until the vaccines are produced and utilised as planned. When it comes to the global economic recovery, China and other Rising Asian countries are among the frontrunners. Yet, doubt remains because of the erratic speed and limited extent of vaccine rollouts, as well as the persistent emergence of dangerous new virus types.

Keywords: Emerging markets, unprecendented growth, investment, trade, global trade, GDP Growth.

Introduction

By facilitating remote employment, education, socializing, and medical care, modern digital technology have aided society in coping with the effects of lockdowns. Digitalization is seen as crucial for emerging economies to recover from the crisis, resume sustainable development, and fortify themselves against future shocks. "The private industry is investing alongside governments to improve digital connections and supply digital services to end consumers, despite just 17% of a people of Africa, 37% across LAC, and 47% in Asia being able to afford 1 gigabyte (GB) of data."

The primary factors that have helped businesses bounce back from the COVID-19 epidemic. In order to seize new opportunities and address persistent challenges in doing business in emerging markets, EMnet participants shared their thoughts on how to better connect infrastructure, increase investment, design new regulations and policies, and promote public-private dialogue and multilateral cooperation.

The economic and social crises is altering the interaction between important stakeholders and sustainable business strategies in developing economies. As the epidemic has developed in an unforeseen manner, businesses are scrambling to find solutions that will help them weather the storm and contribute to a long-term recovery. For increased effect, international corporations have used relationships to build or improve locally relevant sustainability projects in emerging economies. In order to aid in a resilient and inclusive post-COVID-19 pandemic recovery, governments will play a crucial role in both promoting and channeling private sector initiatives towards sustainability.

With the impending threat of climate change, now is the time to take advantage of a green recovery that mobilizes investment in clean energy & promotes energy efficiency to boost development, innovation, and employment in the aftermath of COVID-19. Despite the fact that many developing countries still rely on fossil fuels, the renewable energy industry is poised to lead the global energy market back to growth. Governments in many developing countries have already begun working toward a "green recovery" that will aid economic growth while also putting carbon emissions on a long-term downward trend. Nevertheless, only a select few nations are really putting money into renewable energy. To speed up the transition and increase investment in renewable energy, the private sector's help will be required.

Global companies need more reliable infrastructure connections if the economy is to revive quickly and sustainably. There is a significant funding deficit for infrastructure in emerging nations, and a healthy enabling environment is required to release additional investment in this area. The circumstances are ripe for establishing a pipeline of infrastructure development projects thanks to historically low financing rates. In order to ensure the safety of the investment and pave the way for more financially viable enterprises, public policies must go hand in hand with this process.

Energy efficiency and renewable energy both need financial support to thrive. The shift to a green economy may be sped up with the help of private sector investment in green technology, green infrastructure, and green employment. For a low-carbon economy to flourish, governments must play a significant role in shaping sectoral laws and providing targeted assistance. Moreover, home enabling circumstances and supporting public policies are necessary to enable investment in renewable energy and energy efficiency throughout developing nations. Among them are the establishment of transparent regulations for P3s;

a. Bailouts from the government;
b. Long-term contracts for the sale of renewable energy at predetermined rates to off-takers;
c. Increased involvement of large investors by using the right financial tools

An inclusive recovery in developing countries and progress toward gender equality depend on investments in human capital. It is crucial to fill the present skill shortages in preparation for the coming digital and green revolution. To lessen the blow to the job market from labor market changes, public policies should aim to bring supply and demand closer together, eliminate gender gaps in employment, help people acquire the digital skills they'll need, and increase safety net programs. In fact, studies suggest considerable shifts in the workforce, with 14% of current professions perhaps being obsolete due to automation by mid-century and another 32% of

DOI: https://doi.org/10.52783/tojqi.v10i2.9926

employment likely seeing significant shifts. The private sector may help by both increasing the skills of existing employees and providing faster access to emerging digital technology.

Improving governmental administration and rules may boost confidence and lower investment hesitation. Whether directly or through development finance institutions, governments can provide a liquidity backstop by guaranteeing investments, "ensuring regulators as well as permitting entities are independent and have the resources and frameworks they need to run efficiently, and fostering public-private dialogue and multilateral cooperation to address global issues."

Management Initiatives for Business and Sustainability

There are growing contradictions between the conventional profit-driven business model and the sustainability-focused models adopted by a growing number of global corporations. In order to have a stronger influence in developing economies, multinational corporations have developed sustainability programs that are both locally relevant and ingrained in their operations. The article here focuses on the difficulties of introducing sustainability ideas into the mainstream in developing economies.

The worldwide impacts of the COVID-19 epidemic shown that the private sector cannot cope with the global economy's rapid transformations on its own. It required government action to coordinate the worldwide reaction. Governments' unprecedented policy responses to the COVID-19 issue were in reaction to the potential for enormous waves of joblessness. Strong fiscal and monetary assistance was supplied by both the developed world and the rising and developing countries to combat the epidemic and cushion the economic and social repercussions. India and China, Brazil and Mexico, and Nigeria and South Africa are just few of the Asian, Latin American, and African countries that serve as case studies.

Service and Management Patterns

The economies of several areas in the world's developing markets have grown rapidly in the 21st century. The economies of Emerging Asia1 have routinely surpassed those of other regions whereas the economies of OECD member nations have persistently lagged behind the global average.

The massive loss of life caused by the COVID-19 catastrophe had a profound effect on all economies. Yet, emerging and developing nations were hit the hardest by the epidemic because they were already dealing with significant imbalances, sluggish growth, poor investment, and weak welfare systems. The tourism, leisure, and hospitality sectors have taken a major financial hit as a result of the COVID-19 epidemic. Global value chains were thrown into disarray as businesses shut down production out of fear about workers' safety and because of transportation delays. Company debt has reached highs that have not been seen since the 2008-2009 financial crisis. The amount of bankruptcies has been kept under control by exceptional policy support, but if authorities were to withdraw their assistance, the number may grow again. Due to mounting debt during COVID 19 crisis, several markets in emerging and developing countries have grown more vulnerable to external financial shocks.

Demand for safety gear and IT products has increased around the globe, contributing to gains in global trade indicators. The strong trade recovery in Asia has led to an increase in container port activity and total merchandise trade volumes above 2019 levels. Yet, the service industry as a whole and the airline industry in particular remain sluggish.

The level of uncertainty is still rather high. The continuous manufacturing and distribution of COVID-19 vaccines is crucial to the realization of optimistic economic forecasts. Because of this, the recovery might be slowed, job losses could increase, and more businesses could fail if the rollout was not uniform.

The extent to which each nation is affected varies considerably. Yet, this rise may benefit nations who are exporters of commodities. An rise in US interest rates would likely be met by higher economic growth in large, advanced countries, mitigating some of the negative financial sector spillovers that might otherwise occur. A growth in US demand for imports would be particularly welcome in Mexico because of the tight linkages that exist between Mexico and other LAC nations. For countries like Columbia, Costa Rica, Greece, and others in the growing market economy that rely heavily on exports of services and tourism, better vaccination coverage means borders may reopen sooner than projected (OECD, 2021a). A rise in commodities prices caused by increased global growth, led by China in particular, would have an impact on commodity exporters like India (OECD, 2021b).

Growth of Emerging Digital Markets

From 2000 to 2019, the amount of commerce produced by developing economies increased dramatically, driven mostly by China's economic rise. From around 32% in 2000 to 46% this year, emerging markets have seen a rise in their proportion of global trade volume.

Nonetheless, there are challenges to the shift to digital. In Africa, where just 17percent of the populace has Internet access, maintaining cheap costs is very important. “The African digital economy is growing rapidly. Africa has the most mobile money accts in the globe at 300 million, and much more than 500 African businesses provide innovation innovation in financial products” (AUC/OECD, 2021). Nonetheless, there are significant disparities in the continent's wealth and education levels between different regions. Sub-Saharan Africa lags well behind other rising areas in terms of Internet adoption, with just 45percent of a population being unique mobile consumers (GSMA, 2020a).

The expanding market in Asia's rising economies has also made that area a prime location for IT investment. In particular, online sales have continued to expand by double digits every year since 2015. The number of people using e-commerce is expected to grow by 37 million in ASEAN nations in 2019 and 2020, 71 million in China, and 50 million in India (OECD, 2021d). A projected 430 million new users will push the proportion of Internet users in Emerging Asia from 42% in 2019 to 54% in 2025. (GSMA, 2020b). Malaysia and Singapore have more mobile broadband subscribers per capita than any other OECD country, “while Cambodia, India, Lao People's Democratic Republic, the Philippines, and Viet Nam fall far behind” (OECD, 2019b).

Conclusion

DOI: https://doi.org/10.52783/tojqi.v10i2.9926

As a direct reaction to the COVID-19 epidemic, several multi-national corporations in developing economies have shifted manufacturing, invested in supply-chain resilience, and collaborated with other businesses and stakeholders to improve sustainability. Firms may find it challenging to consistently prioritize and integrate sustainability into their fundamental objectives due to the financial, logistical, and public health consequences of the pandemic.

Thus, governments should use this opportunity to establish policies that encourage long-term private investment by providing more legal certainty and reevaluating current sectoral regulations. If the private sector wants to make headway on initiatives like digital transformation, the transition to a green economy, and improved trade and regional engagement, then policy discussion is essential.

References

1. AUC/OECD (2021), Africa's Development Dynamics 2021: Digital Transformation for Quality Jobs, AUC, Addis Ababa/OECD Publishing, Paris, https://doi.org/10.1787/0a5c9314-en.
2. Banerjee R., E. Kharroubi and U. Lewrick (2020), Bankruptcies, unemployment and reallocation from Covid-19, BIS Bulletin, N.31, https://www.bis.org/publ/bisbull31.pdf.
3. OECD (2021a), OECD Economic Outlook, Volume 2021 Issue 1: Preliminary version, OECD Publishing, Paris, https://doi.org/10.1787/edfbca02-en
4. OECD (2021b), OECD Economic Outlook, Interim Report March 2021, OECD Publishing, Paris, https://doi.org/10.1787/34bfd999-en.
5. OECD (2021c) FDI in Figures, https://www.oecd.org/investment/FDI-in-Figures-April-2021.pdf.
6. OECD (2021d), Economic Outlook for Southeast Asia, China and India 2021: Reallocating Resources for Digitalisation, OECD Publishing, Paris, https://doi.org/10.1787/711629f8-en.
7. OECD (2021e), Paths to progress for business and sustainability in emerging markets, Policy Note on Sustainability, OECD Emerging Markets Network, OECD Development Centre, Paris, www.oecd.org/dev/EMnet_Policy_Note_Business_Sustainability_Emerging_Markets.pdf.