

# Globalisation

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# GLOBALIZATION AND THE INDIAN SOCIETY

#### WHAT NECESSITATED GLOBALISATION

The LPG reforms were unavoidable and very compelling. Post cold war, all the states with USSR's umbrella were now shelter less and had no option but to fall in line with the uni-polar world order led by the USA. Coupled with this was a continuous increase in government's expenditure, high growth of government's import, insufficiency of foreign exchange reserves and high levels of inflation, the government embarked on a comprehensive reform of the Indian economy by adopting the LPG reforms. Out of these, liberalization and privatization are policy strategies and Globalization is the outcome of its adoption and implementation

# IMPACTS OF GLOBALIZATION ON THE ECONOMY

The most evident impact of globalization on the Indian economy has been the global improvement in trade. The availability of a large no of goods at reasonable prices and vast employment opportunities in the light of MNC's and FII's is a remarkable feature of this change. There is a considerable increase in the Mobility of Human Resources across the Countries and more Outsourcing of Business Processes globally. This in turn has raised the living standards and also the per capita income. It has enhanced entrepreneurial opportunities and has expanded a wide variety of opportunities in diverse fields like fashion. There are now fair and better chances of exposure to world class education and medical facilities. A diverse range of processed and semi processed food is available; suiting needs of every man and woman and has taken up the market by storm.

# **IMPACT ON AGRICULTURE**

Agriculture contributes 17% to the Indian economy. People dependant on agriculture is still around 55%. Globalization ushered in mechanization, improved technology and HYV of seeds, along with easy access to fertilizers has brought huge positive impacts on the nature of productivity and crop yield, the most remarkable being that of food security and self sufficiency and recognition for high value products like basmati rice which are in high demand all over.

Proliferation of Food processing industries, Mega food parks with help of foreign technology and investment along with development of warehouses is another feature of increased global connectivity which has improved farmer's returns.

Research collaboration with foreign countries and institutions has increased which has had a positive impact with respect to productivity and the limitations and their remedies. Agriculture is deeply related to industrial growth and national income in India owing to the forward and backward linkages. 1% increase in the agricultural growth leads to 0.5% increase in the industrial output and 0.7% increase in the national income in India.

Notwithstanding the fact that globalization has brought in gaps in between the rich and the poor, but when seen in absolute term, the percentage of people below the poverty line has been gradually decreasing. From 36% of the Indian population below the poverty line in 1993-94 to 21% is nothing short of a feat.

The adverse impact of globalization on this sector, especially masses at large in the rural areas cannot be overlooked either. Slow down and decline in the investment in agriculture and hitting hard on the poor, small and marginal peasants and landless labour of the country; WTO is trying to tone down the security net available to the Indian farmers as is evident by the Doha development rounds. The global events are also adversely affecting the agricultural input cost which in turn is affecting the local prices too. The need to earn profit with the cash crops encompasses a lot of fluctuation and has issues with regard to the countries food security. And most import6ant of all, globalization has shifted the focus from agriculture to industry which in turn has aggravated the plight of the farmers in terms of displacement from their lands.

# **IMPACT ON INDUSTRY**

Global interaction has been the basis of industrial progress in the world. The setting of various manufacturing and pharmaceutical industry under the FDI route has helped reduce the level of unemployment and poverty.

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Relaxing the quota raj has brought in a wave of services and technologies which has made the economy tech-savvy and progressive. India's growth rate has almost doubled since the time of pre liberalization. (IMF projects it at 7.2% for 2016-17)

Greater competitiveness has ensured greater good for the consumers in terms of quality and price. Domestic players, to ensure their survival have been on their toes with respect to productivity and survival. Companies to both raise quality and productivity to ensure survival. Leading tycoons have collaborated with foreign giants have acquired foreign brands and are making their presence felt through the routes of merger and acquisitions, e.g. TATA motors overtaking Jaguar and Daewoo.

The government is giving impetus to various small scale industries via loans and microfinance and other forms of easy credits which have helped them grow. The setting up of various special economic zones has given a boost to the export oriented sectors.

Nevertheless, the share of industry still remains 25% to the GDP. Foreign companies got free access to Indian markets and made domestic products uncompetitive with better access to technology and larger economies of scale.

India's position also lagged on account of Research and innovation. Import substitution required certain degree of investment and efforts in domestic production.

There has been an abrupt decline in the employment opportunities as only menial jobs are available in plenty. Unreasonable price-rise and identical increase in incomes; disappearance of village industries and crafts as well as various small industries due to unequal competition and contestation from the cheap products from China, eroding their credibility are some of the most prominent of the adverse impacts of the process. Ill-planned disinvestments of profit-making public sector undertakings at throw-away prices are incurring heavy losses on the exchequer.

# Impact on the service sector

According to the Economic Survey 2015-16 the service sector contributed almost 66.1% of its gross value added growth in 2015-16 becoming the important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows. We have witnessed good revenue generation with growing sectoral activities across trade, tourism, healthcare, transport, communications, information technology, finance, insurance, real estate, and business services, social and personal services.

The whole sector has been revamped owing to large scale market shifts, technological developments and competition from the foreign players. It has embraced a more dynamic outlook in the light of new regulatory bodies and financial institutions, especially with respect to banking. They have become more streamlined and efficient.

The stock market's behavior is a strong indicator of health and future prospects for any country. They have also ushered in a myriad of associated financial services like hedging and investment banking which are not only earning profits and adding to the GDP and FOREX but are collectively employing lakhs of people in India

The biggest legacy of the LPG reforms according to a lot of opinions is the telecom revolution in India. Tremendous proliferation in telephone and wireless subscription was witnessed. However, the no of telephone connections have been dropping in the wake of sim based mobile subscription. India has I billion subscriptions in this regard and is all set to overtake china in the coming years.

SOCIO-CULTURAL IMPACT

**IMPACT ON WOMEN** 

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Women are legal citizens of the country as prescribed by and enshrined in the constitution. Nevertheless, they are still regarded as the second class citizens and suffer from a lack of acceptance both, on part of the society and the family, the reason being the deep entrenched patriarchal norms in the social and mental fabric.

Globalization affects different sections of women differently. On a brighter side, it has created new opportunities in social and economic arenas, inculcated the awareness amongst women regarding their individuality and rights and entitlements, thanks to the global integration which have led to a free flow of ideas and education and the social movements. Women are standing against prejudices and fighting against it. The omnipresent mass media has been investing into women's issues and so has various NGO's through their interventionist programs. Both of these have gone a long way in paving way for women's empowerment.

Besides increasing employment opportunities, globalization is also revolutionizing the thought process of parents in particular, who are now realizing the worth of investing in a girl child's education to capitalize on the avenues opened by the process. Becoming a larger part of the workforce, better pay and autonomy are helping women gain the much needed confidence to project themselves and challenge the set norms. e.g.: Globalization has aided the Self-Employed Women's Association (SEWA) to establish a Women's Cooperative Bank with 125,000 members.

Women have acted as a pressure group to help form progressive legislation e.g. Vishaka guidelines, for sexual harassment at workplace. Inclusion of concepts like gender budgeting and various women centric policies have helped accelerate the process of doing away with their discrimination, violence and exploitation

Social acceptance of previously socially rejected women folks on account of divorce or widowhood or sexual orientation is accelerating, though the pace is gradual.

Women have also championed their political rights. They have asserted their place in governance and have increased their participation. Reservation for women representatives at the grass root level in local bodies is a sign of emancipation and empowerment. The women's reservation bill is all set to further strengthen their political participation.

Despite the positive side that globalization has, it has a sinister side to it too. Leading economist, Vandana Shiva opines that globalization along with institutions likes the World Bank and IMF has created slave wage. While globalization has created employment opportunities, the work available to women is always poorly paid and demeaning and insecure. Thus women are suffering two fold, one at workplace and second, the domestic responsibilities are not gone either.

96% of female workers are in the unorganized sector. Although more women are now seeking paid employment, a vast majority of them obtain only poorly paid unskilled jobs in the informal sector with little or no security.

The WTO regulations and the changes in government's policy with respect to giving big business houses incentives have marginalized smaller firms and agriculture. This has further marginalized rural and indigenous women.

Harassment, assault and mortification at workplace are common for women and have even increased in the wake of globalization. According to a UN Women report, Women do two thirds of the world's work, receive ten percent of world's income and own one percent of the means of production. This is the present picture of women workers in the era of globalization.

Commodification of women on account of increasing consumerism has stunted the mentality of society which has constructed a "perfect image" of a woman. This is adding the pressure of looking beautiful and perfect in the "conventional sense" and is perpetuating a culture of dieting whereby women are starving themselves which have repercussions on health.

As women march on the path of emancipation and seek employment, the prejudice around women and their restricted role in a patriarchal society hasn't undergone much change. The insecurities related to work, the competition surrounding work, chronic fatigue, the perception that they alone are responsible for household responsibilities and kids causes psychological problems and result in emotional disorders. The increase in cult of nuclear families has left old women in an awful condition, e.g. vrindawan



Thus, the need of the hour is to mainstreamed our efforts, both national and international for a more inclusive and gender sensitive society

#### IMPACT ON THE DALITS AND MARGINALISED

Globalization robs the state of its welfare functions and the state's role becomes restricted to that of a security provider in terms of external and internal threats. The population of scheduled caste in India according to 2011 census is about 16.6 per cent of the total population of the country. Of these 86% of them reside in the rural areas. The concentration of these remains highly diversified ranging from scavengers to weavers to sweepers.

The schedule caste, commonly known as, the 'dalits', suffer from the worst form of discrimination and inhumane practice and social oppression, the most common being that of untouchability. These 'have not's' are often neglected even in the wake of vast opportunities available, owing to the stigma attached and the asymmetrical world that we live in. The pro market stance of globalization has led to an alliance between the market forces and the upper caste and upper class, much to the disadvantage of the lower classes and castes both.

Globalization has led to a lop-sided development without much success of the trickle down approach. The free market ethos has led to competition and price rise and inflation, the worst hit being the poor and dalits constitute a major chunk of them. Price rise has had a negative impact on their lifestyle and consumption pattern. Also, as dalits constitute a major part of the poor, their chances of capitalizing on the opportunity thrown open by this global world order hasn't been very fruitful. Their chances of acquiring jobs in the hi-tech industries have been very slim, given their educational qualifications. The system of elementary education especially in the government sector is deplorable. The private education is out of reach for them and they have no option except these dysfunctional primary government school.

Globalization has transformed their traditional occupational avenues into lucrative profit making opportunities, where the dalits find hard to compete. E.g. a manual scavenger, when tries to switch occupation suffers backlash from the society and the upper caste and class both.

The concept of special economic zone and the commitment to proliferate trade post liberalization have onset a process of forced displacement not only aggravating their plight but also seriously undermining principles of social justice. In retrospect, these reforms are more about exclusion than that of being a reform. The closure of various public units in the wake of privatization and disinvestment has hit the dalits in particular. It has increased unemployment and poverty along with an increase in the hiatus between the rich/upper castes and the poor/lower castes on the other.

The free market economy has pinned dalits down. Market practices its own brand of social exclusion and dalits are not welcomed as a part of their profits. They need mainstreaming along with subsidized rice, wheat and pulses. The question of equal distribution of resources is interlinked with the redressal of the reasons for their marginalization.

Nevertheless, there have been positive sides too. With liberal ideas seeping in, dalits have broken the shackles of patron client relationship and some of them at least have been able to move to non-polluting professions and have ventured into academics and other vocational occupation. Those who are better off, have come to provide leadership to their brethren and are also articulating their interest and are trying to address them. Political opportunity and equality has motivated them to root for their long overdue social and economic rights.

#### IMPACT ON TRIBALS.

India has more than 700 tribes notified under the law of the land, with many overlapping communities in more than one state. They constitute almost 9% of the total population. Like other sections of the population, their socio cultural life depends on their physical environment and education status. The tribal communities in north are mainly engaged in tea garden as labor and small percentage are engaged in agriculture and small industrial



activities. In south they engaged in primary sector as agriculture, hunting, gathering etc. based on their ecological condition.

The developmental trajectory adopted post reform greatly altered the relationship of the tribes with nature and land-man pattern and usage. Land and forests which are exploited in the name of development have exploited the tribals and has distorted their lifestyle

Tribals have become a minority in their own region. They are replaced from their own land in the name of development but never get the benefits of the expanding industries or infrastructure. Whatever employment avenues come their way are menial jobs. Tribes are themselves blamed for the backwardness and underdevelopment of their region. Their traditional socio-economic and cultural systems are held responsible. Thus, the way out seen was introducing alien culture and lifestyle which would help them take advantage of the fruits of development. But all in vain, the new approach was an epic failure.

Just like other sections of the population, globalization affects tribes differently. Urban and educated tribes benefit with the influx of foreign investments and companies. Free market and the benefits of reform affects this group in a positive way in terms of goods and better prices and avenues to undertake business ventures. The gains of globalization pertain only to those who have the education and skill, easy access to the market wealth and resources. For majority of tribals, globalization is associated high prices, insecurity, in terms of health and resources being diverted to the development process. A capitalist economy isn't providing a level playing field to all the sections of the society. Just like dalits, tribals too cannot compete for health and education with the private players. This lack of education coupled with lack of purchasing power, has pushed tribals into indebtedness.

Though the Indian state safeguard their rights via the provision of PESA act, 1996, the tribals right to livelihood on the forest products, the development process has diluted its intrinsic value. Thus globalization needs to be implemented with a human face rather than super imposing it on poor and meek tribals with little or no education and training.

# **PSYCHOLOGICAL IMPACTS**

Besides ushering in the liberal values of free market and individual rights and dignity, globalization has had negative impacts too on the psyche on the Indian population.

Globalization can be perceived as a newly wrapped idea with the same basics as those of colonialism. Its ideals are colonizing human minds in a bid to ape what the media rejoices or what global culture it has brought into the country, be it in terms of conventional idea of beauty or that of being modern. There is little scope of analyzing the pros and cons of the process since it is more of "all that glitters is gold" kind of concept.

The logic and practice of consumerism is increasingly altering the spiritual nature of the Indian minds and is driving it towards a more materialistic notion of pleasure. Globalization is seen to create a homogenous worldwide culture where in everyone wants to be the West in terms of lifestyle, food, recreation, hobbies. Also, the traditional fabric is endangered in terms of family and marriages. The time for transition to the roles of adulthood are happening a later stage. Also, as the traditional hierarchies of authorities break down, succumbing to the pressure of globalization, the youths are forced to develop control over their lives. Also, this emerging adulthood is related to the issues of identity.

# IMPACT ON THE INDIAN DEMOCRACY

Globalization brought in a wave of democratic and progressive ideas and diffusing it well across the social fabric leading to a breaking of prejudiced ideas and norms. People embraced these and laid the way for a more tolerant and mature democracy. The membership to international organizations like UN and WTO bears a testimony to this fact.



The rise of identity politics in the wake of liberal reforms has both pro and cons. It gave representation to the otherwise marginalized but at the same time also laid grounds for politicization of caste and class.

Emergence of a middle class in the background of global integration enhanced popular participation in the democratic political process, which via their increased economic power and broadened ideological mindset have brought about remarkable changes in political arena. The civil society assumed new roles and gave voice to the unheard. The democracy saw great ideas such as right to education and right to information and the recent SC verdict on the right to privacy being a fundamental right.

Nevertheless, globalization has led to diluting the sovereignty of the state in the wake of increasing power and role of international organizations and has made international borders porous, which threatens the world with strands of terrorism. Post cold war order is all about maximizing one's economic interests rather than participating in public policy making, thus a clear rolling back of state's welfare functions which was envisaged in the constitution.

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