Globalisation and its Effect on Rural India

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ABSTRACT

In this paper, we show the benefits of globalization mainly absorbed by the urban population of India. Globalization is “the growing economic interdependence of countries world-wide, through increasing volume and variety of cross border transaction in goods and services.

Keywords—— Globalization, IMF, ILO

I. INTRODUCTION

Since 1991, when the new industrial policy of India came into force, globalization started taking momentum in India. Globalization means uninterrupted flow of trade, capital and technology across the national borders by considering the whole world as a big market. Globalization has converted the whole world into a single society. Globalization leads to higher productivity and cultural intermingling. According to IMF, Globalization is “the growing economic interdependence of countries world-wide, through increasing volume and variety of cross border transaction in goods and services; and of international capital flows; and also through the more rapid and widespread diffusion of technology.”

II. ADVANTAGES OF GLOBALIZATION TO INDIA AS A WHOLE

A—Economic Advantages

• Markets are full of products having better qualities & latest technologies; and customer is free to purchase product of his choice. These innovated products have also increased the living standard of the Indian mass.
• India has got a global market for its products and services
• Globalization has increased the flow of money in India as MNCs set up their establishments in India giving employment to Indian mass. Besides it they pay huge taxes to the government.
• Import of latest technology has been continuously beneficiary to Indian producers. They are making their products highly competitive in international market by using these technologies.
• Producers are now getting benefits of large scale production as they have to increase their production volume to cope up with the domestic as well as international requirements.
• Globalization has also helped India in earning FOREX as export is done to various countries of the world. Besides it, Indian companies also set up their establishments in foreign countries.
• Goods and services are in accordance with Global standards. Economic activities are being guided by patent, copyright and WTO agreements.
• Free trade zones have been developed.

B—Political Advantages

• Increasing interdependency have also minimized the possibilities of war between countries.
• Democratic ideas are spreading throughout the world.
• Sense for International justice against crimes, pollution and terrorism is increasing.
• Importance of international bodies is increasing.

C—Socio-cultural Advantages

• Globalization has played a major role of changing the social outlook of Indian mass as Indians are getting the latest knowledge and ideas of the developed countries. Conservative attitude is now changing.
• Removal of cultural barriers have reduced the narrow-mindedness of the humans specially the Indians. Now the whole world has turned into a small village. Peoples have started thinking logically and scientifically.
• Globalization has also affected positively the geographically remote areas and thus the regional disparities are curtailed.
• Increased immigration between countries have developed tourism removing cultural barriers across the world.

D—General advantages

• As developed countries are much conscious in choosing environment-friendly products so due to rapid globalization, the idea of “Green Consumerism” is also gaining popularity in India day by day. Sense of environment protection is continuously increasing.
• The role of media has become global which is spreading continuously the latest ideas and development throughout the world.
Thinking on macro level, globalization in India has increased employment opportunities, income-investment-output level and, has given great boom to each and every sector of Indian economy. Besides it globalization has a great impact on Indian culture & value system. But the question arises—"Has Globalization any impact on rural life", where more than 60 percent of Indian population resides. At the time of opening Indian economy in the globalized scenario, Govt. had thought that the benefits of globalization would trickle down to rural India. But the reality is against this thought. Globalization has also widened the income disparities in India. It has widened the gap between Rural economy and Urban economy. It has widened the gap between the rich and poor.

III. GLOBALIZATION AND RURAL INDIA

Globalization is held responsible for unemployment, cultural degradation and difficulties of competition. As per a report of ILO (2004)—"The lives of the educated and the rich had been enriched by globalization. The IT sector was a particular beneficiary. But the benefits have not yet reached the majority and the new risks have cropped up for the losers, the socially deprived and the rural poor. Western perceptions which dominated the global media, are not aligned with local perspectives, they encouraged consumerism in the midst of extreme poverty and posed a threat to cultural and linguistic diversity." In other words, It seems that benefits of globalization are mainly absorbed by the urban population of India. The following points show that the villages have been neglected from the sweet fruits of globalization-

- The farmers are still living in Kuccha houses made of mud etc.
- Due to globalization some countries specially developed countries, have become industrial hubs covering the global demand. This has decreased entrepreneurial activities in developing countries which leads to unemployment.
- Rural population is still suffering from unemployment as rural labour is mostly uneducated and unskilled. Machines and latest technologies have reduced the number of manpower a lot.
- Electrification of villages have not yet been completed by the govt. Adding further the villages having electricity get on an average only 3-4 hours of supply daily.
- Toilet system in Indian villages are otherwise lacking or of poor standards.
- Though the govt. has made the primary education compulsory, but many villages lack in educational facilities. Children have to cover a long distance to get to their schools.
- Study material available to rural children and mid –day meal is of sub-standard quality.
- Globalization has caused intermingling of cultures. Though it has curtailed narrow-mindedness of humans, but it has caused cultural degradation also specially in India. Western ideas and culture has started killing the social ethics of Indian mass. More and more people have become ignorant about social, ethical and moral values.
- Indian villages lack in facilities of technical education and it is not always possible for everyone to get access to urban areas for technical education. That is why rural labour remains unskilled.
- As most of the villages don’t have adequate electricity and modern means of communication, so the knowledge-base in rural Indian mass becomes weak.
- Govt. has not done satisfactory work for promoting of small-cottage industries in villages. So educated rural youth remains unemployed and migrates to urban areas.
- Indian rural population is still conservative. Culture and social values are preferred more. Tradition is still more important than science.
- Imports make the farmers’ position worse as they are not able to compete with imported goods in terms of price and quality.
- The position of artisans is also bad in villages. They are also not able to compete with machine-made goods.
- As life standards have risen up significantly so the wants are increasing day by day but the resource generation is not increasing with a significant speed. So globalization is increasing the numbers of poor citizens having a long list of requirements.
- As the competition has become global, so it has become quite difficult for small, cottage, handicraft & medium industries to maintain constant continuity and development track.
- Countries specially developing countries have assumed Foreign Capital as a perfect medicine for economic development. But it has created several hurdles in free and successful functioning of entrepreneurial activities. Also excessive use of foreign capital is also harmful for the political survival of the country.
- As it is human nature that evils are grasped hurriedly not the merits. So in the context of globalization, it has changed the cultural values of Indian mass & due to this villages have suffered a lot.

IV. SUGGESTIONS TO NEUTRALIZE THE BAD EFFECTS OF GLOBALIZATION

There are some measures which may be fruitful in neutralization of the evil effect of globalization-

- Latest information and technology facilities should be provided and developed in rural areas in an intense manner. Govt. officials and NGOs, both private sector and public sector, should encourage rural mass to use latest ICT
facilities in developing their entrepreneurial activities

- Positive aspects of globalization should be imitated like green consumerism, eco-friendly techniques of production etc.
- High degree of globalization should not affect the small-cottage industries and handicraft industries prevailing in rural India.
- MNCs should be allowed to enter the Indian market only after studying their effect on environmental degradation, small-cottage industries, Indian buying habits and on Indian social values.

V. CONCLUSION

It is claimed that globalization increases the economic prosperity and opportunity in the developing world. The civil liberties are enhanced and there is a more efficient use of resources. All the countries involved in the free trade are at a profit. As a result, there are lower prices, more employment and a better standard of life in these developing nations. It is feared that some developing regions progress at the expense of other developed regions. However, such doubts are futile as globalization is a positive-sum chance in which the skills and technologies enable to increase the living standards throughout the world. Liberals look at globalization as an efficient tool to eliminate penury and allow the poor people a firm foothold in the global economy. In two decades from 1981 to 2001, the number of people surviving on $1 or less per day decreased from 1.5 billion to 1.1 billion. Simultaneously, the world population also increased. Thus, the percentage of such people decreased from 40% to 20% in such developing countries.

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