

Globalization- Impact in various spheres of India

YS Balavantagol

Associate Professor, Department of Political Science, Rani Channamma University, Vidy sangama, Belagavi, Karnataka, India

Abstract

Globalization was introduced by Indian Government in 1990-91 when Indian Economy was in absolute slump. It was, however, brought in not as a solution to retro grossing Indian economy but to strange then itself by foreign exchange loans from World Bank as its foreign exchange reserves were in deteriorating state. To overcome its ailing financial health, Government decided to reshape its economic policies friendly to privatization & liberalization of its economy. Though decisions had positive effect. It did not help government meet its emergent need of foreign exchange but it caused some irreversible damage to Indian Economic social systems.

Keywords: Privatization, Liberalization, current account deficits, disinvestment, western culture.

Introduction

Since time immemorial countries have been involved in trade with one another. But the trade related activities got tremendous boost in last two decades under domineering policies of International Monetary Fund, world bank and world trade organization working on the economic agenda of developed countries like USA. They vertically forced underdeveloped countries to the lines of globalization by opening up their local markets to world trade by eliminating indigenous artificial barriers to international trade. Advanced means of communication transport, internationalization of financial markets free mobility of goods, capital, and manpower and labour all put together booted globalization with precedence precipitation. Globalization in the beginning was confined to trade sector. But the processes eventually encapsulate national & regional economies, societies and cultures through network of trade, communications. This paper would examine the economic and social repercussion of ongoing globalization in India.

Economic effects of globalization

The global revolution in communication and transport led to global flow of human resources as migration immigrants. There are nearly 200 million people working across the globe, this phenomenal growth of migration and human greatest under globalization has changed the socio cultural fabric of many countries of the world.

The oil crisis in 1970's and similar situations had created financial emergency in India 1990 when foreign currency reserves were reduced to more 3 weeks outflow. Major factors for such a situation where stagnant economy, mounting fiscal deficits, current account deficits in international trade and high rate of inflation during the preceding years. Fiscal deficit has been over 7 % during previous decade and it had touched 8.4% of GDP during 1990-91. Current account deficit was about 3.3% of GDP while the rate of inflation was as high as 10%. Such situation warranted some drastic steps with major structural changes in Indian Economic policies. At this point, of the Indian Government did not have any other option but to accept the preconditions of Globalization process to avail loans from

World Bank? It agreed to reduce quantitative restrictions like licensing system. It also agreed to the reduce custom duties in phases to levels acceptable to WTO. Custom tariffs were reduced in phases during the decade 1991-2001 from ponderous 70% to about 30%.

However, realizing the Globalization, may not help the diseased Indian economy, the Government of India decided to go for privatization of its economy and to adopt liberalized economic policies. Steps towards structural changes were:-

- doing away with Industrial licensing Raj
- Free access to foreign technology
- Abolition of Government control over capital issues and creation of SEBI to encourage equity culture in India.
- Reduction in industries reserved for public sector.
- Partial disinvestment in public sector enterprises.

Policies of Privatization and liberalization under globalization had a positive effect on Indian Economy responded swiftly and positively Fiscal deficit however came down to 5.9% in 1991-92 The GDP soared at an annual rate of about 6%. New companies were established by Indian entrepreneurs under across liberalized economic policies announced by Government. A number of job opportunities, with high wages, unveiled available in India. This indicated in sharp rise in middle Income Group which, in turn, boosted domestic consumption. Indicated Liberalized policies of foreign direct investment (F.D.I) and Foreign Institutional investment (F.I.I.) helped in faster developments in telecommunication, roads, ports, airports, Insurance and other major sectors.

These are the above improvements achieved in Indian Economy largely due to reformed Economic policies of Government of India.

Globalization did help Indian encourage through its apartment contributions. In education to national prosperity the ambitions globalization process introduced certain other global friendly concepts of cultural and industrial prosperity that however did not benefit in India. Followings are certain areas where globalization made on satisfied process which Indians under globalization obstruction.

A. Direct effect of Globalization is intertwining of Indian economy and world economy. Government is no more the sole regulator Indian Economy influenced by international policies and international economic conditions.

B. Globalization has absolutely uprooted the spirit of 'Swedish movement run by under taken Mahatma Gandhi. Large scale migrations vastly availability of foreign products have increased the exposure of Indian population to reputed foreign products. Indians now prefer global brands to Indian brands. Globalization has greatly affected Indians established companies. Who could not to face competition from robust global players?

C. the Steep policy of reductions in custom duties trampled upon of Indian market and Indian Industry and made easy to imports from global players. New opportunities for exports by Indian Industry under globalization suffered on heavy become of less demand for its products in local market.

D. to Indian industry survival in the face of global competition. Has transformed itself from labor intensive to Capital intensive processes embracing global technologies and automatic machinery to reduce unemployment. But still Unemployment is the biggest problem for Indian Government of today.

E. Globalization has not actually helped Indian Industry. It has helped Indian consumers it helped Government of India to improve its foreign exchange by to getting loan from World Bank. But and at the cost of its economy and the local Industry.

Socio-Cultural Effects of Globalisation

Vibrant Economic, activities boisterous recognition of human rights, kneejerk mobility of people from different countries have deteriorated around the local cultures of people the world over. Transnational workforce formed due to migrants and immigrants in eliminating the indigenous cultural fabric lading to lump of variegated global cultural unity involving the distinct social-cultural identities of the global geographical components. Today globalization of western version creating a new found global culture translating the regional socio-cultural identities giving new twist to the takes, characters, approaches, life styles and outlooks all cosmic in nature. Globalization have is also redefining and reforming socio-cultural distinct activities of global and adding to meaning to life. It is only globalisation that is causing transmutation in the global outlook.

To highlight the fact that our established socio culture systems have been severely affected, we examine here below some of the changes in various established practices:

Indian social system always was a male dominated society. Male members and the bread earners and are the face of family. Women folk are managing the family in home. Globalization has emaciated this established system. To-day women are working across all in India. They have broken male domination To-day woman play an important role in family decisions sometimes women's voice the voice of family decision.

Family system was glorified the world over for robust relationships which nourished everyone Western culture has brought new meaning to Indian youths. Youths want independent life. They are breaking older family ties and establishing nuclear families. The Old & handicapped are forced to render into themselves without support from family

siblings. These nuclear families are getting further divided due to displacement of partner for pursuit of his/her occupation employment earlier, well defined religious practices were being blindly followed by one and all. Globalization has dawned a new spirit of reasoning which has weakened family integration of different cultures in work places practice. Smudging the salubrious Indian religious and cultural practices.

Before the down of globalization life partners were from chosen local and within the castes. Now inter-caste marriages. Are common place. Such marriage arrangements take place either in the studies or in work place. Globalization has blown off the very social system introducing multi-cultural social system which has hardly any values and human face.

Conclusion

India does not need such globalization. We need purely economic prosperity without interference in our age old human friendly and humanity laded value systems. Globalization is very much evanescent in nature and it cannot be a permanent solution to all ills of Indian economy. Indian economy has in built solutions to try over the economic crisis. Both indigercous socio-economic solutions need to be exhumed to build humanity faced socio-economic system rather than yielding to unreasonable. Impermanent and mercurial globalization that virtually eating into our be new lent economic and social structural system.

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