

Globalisation Of Indian Economy

Dr. Mahadevappa. T. C, Associate Professor,
Govt First Gr.College Deodurga, Karnataka-India

I. Introduction

Globalization is as old as the word economy, but it is used in a wider sense in the world after Second World War and in India after 1991. Globalization means integration of the world economy and free flow of goods and services all over the world. It also means many things to many people; some people applied it to a borderless world. The simplest meaning of globalization is crossing borders in terms of capital, goods and services, companies, industries, ideas, values, labour and governments.

The main aim of the globalization process is to bring in prosperity to the world in terms of welfare of the people. It is binding on every nation to go along with the globalization process in today's integrated world. Therefore, it is very difficult to be away from the globalization.

Globalization has both positive and negative aspects specially concerning with India's conditions. Positively it aims of economic prosperity and welfare of the people. It benefits the people by fostering economic growth, higher living standard and new opportunities. The economic growth is the main factor and it has brought co-operation and co-ordination among peoples, governments, non-government organizations. It is a positive process towards human advancement and is building the foundation of a new civilization. None other movement has spread in the world as much faster as globalization process. In spite of much criticism economic reforms gave India much of macro growth in different sectors making India very near to highly developed nation of the world.

Crossing all the ways globalization has come to stay in India. It affects not only economic life of the people, but also spread to various sectors like social, cultural, educational and environmental. But its main aim is economic globalization. After that, other sectors follow. The effects of globalization may differ from country to country, state to state and region to region. We are of the opinion that it is not so harmful if globalization effects on cities, towns but it would greatly damage if it is spread over our local community. Our fundamental culture lies in local community that we have to protect for best future life.

India launched the process of globalization in 1991. But the effect of this process has so far not been noticed in a big way. But it is definitely leading towards some changes in the country. Our GDP rate has been raised to about 9 percent. Many new job opportunities have been created, FDI is coming in a big way. Multinational companies are entering in a large number. Our foreign trade has been increased many fold. It has provided tremendous progress in the field of information technology based service sector. Our educational system is also steadily globalising. Many multinational universities are establishing their centers in Indian cities. India's position reached a favourable point in world politics. Specially United States has considered India's role in world politics. We may say that these are all because of globalization process. One thing that appears to my mind is that it has created a competitive spirit among our youths. Everyone, no matter rich or poor, wants to do something in a competitive world. Our past experience is that specially in rich classes, majority of number of individuals had depended on others labour in a single family. But now this trend is changing because of opportunities of large economic activities.

The utilization of globalization is dependent on high quality of manpower. The developed countries are following globalization process due to this factor and they are taking full advantage of globalization. No doubt India has a high skilled manpower. Only opportunities are required for them to utilize their skill. The multinational companies have started therefore, a process of outsourcing largely in India.

II. Negative Factors:

Despite of positive factors the globalization has some negative factors, specially concerning India. On some ground globalization has been criticized by experts and thinkers. In the globalised era the dominant economic forces co-operate with each other in their search of profits. These countries favourably argue that globalization has brought prosperity to the third world countries. But it is crucial for the people of these countries to come together to find people-oriented alternatives. They have to pass many hurdles to resist the globalization. Globalization is a

movement, which gives profit to parent countries first and then service to other countries. So initially it badly affects poor countries in the name of development.

Globalization is pro-rich and anti-poor and anti-labour. It is contrary for developed countries. They have reached to their present status because of adopting the principles of globalization. They are advising developing countries to follow the same principle to reach higher point of the development at least at a later stage.

The introduction of liberal policies in 1991 led to

1) jobless growth, 2) unemployment of the employed through VRS, 3) hire and fire of labours, 4) lack of human approach, 5) reduced importance to agriculture etc.

All resulted in greater suffering to the unemployed, poor and weaker sections of society.

To make globalization process successful India has to use highly skilled manpower. For this, India urgently needs the creation of a large number of educational centers of excellence. It can be possible only through the privatization of education. But there is a fear that the privatization of education may lead to social inequality and even social unrest. It is well known that the social conditions in India are different from those of other countries. Here there are many castes, religions class groups and communities. So we are not able to easily adopt the policy of globalization, which will bring disunity among the peoples. We cannot make education fully privatized, because of high fee structure. Our poor people may be left outside this preview. So it is needed to be taken care of that in the matter of globalised education. For the success of any reforms and restructuring programme it is necessary that domestic liberalization be sequenced before external liberalization. The experience of successfully liberalizing economies like South Korea also suggests that internal economic reforms is crucial to the success of external reforms. That is the lesson to Indian policy makers to learn and act quickly for better and immediate results.

Presently globalization in India is performing well but Indian economy has to face many challenges. First it is the need of structural reforms and strengthening of institutional, legal and regulatory framework for ensuring fair competition among private and public operators and protecting of consumer interest, farmers interest, effective planning and new technology and policies. The proper implementation of various policies can save the poor people from the negative effects of the globalization. The end product of all economic policies is social well-being. What we need is, not low government and more market but better government and genuine market. There will not only be challenges but also opportunities. We need to get prepared to overcome the challenges and exploit the opportunities. To exploit the opportunities we have to do many more activities. Mainly, compulsory education for all, specially technical education is needed to face the challenges of globalization. In our country technical education, starts after the completion of intermediate class. So it is needed that it should be given before the completion of intermediate education and free education. The poor students which consists of nearly 60 percent of school children are not getting opportunities of technical education. These students have the economic capacity to study upto secondary and remain unemployed. So government should provide the opportunities on which these students can stand on their own feet. Then only our economic reforms would come to reality.

The intellectual property rights have got special importance in the process of globalization. It creates a new protection regime and cause technology upgradation and development. India should take care of its own economic interest, while accepting the international agreement on TRIPS. We must not compromise which affects our fundamental interest. Intellectual property protection can be successful if the countries can provide for the requirements like taking certain legislative measures, constituting administrative machinery and evolving our judicial mechanism to deal with those conflicts which may arise while administering the intellectual property protection.

A study shows that the service sector has grown tremendously due to globalization. It provided millions of job opportunities, income and various facilities. Present age is the borderless world. So it is the duty of every nation to contribute something to the new world to remain borderless. The need of the time is not to reverse the process of globalization and foreign direct investment but to take bold steps to solve the problem created by the process of globalization. The problem of globalization can be solved by more integration, more interactions, more interrelations and more co-ordination and more co-operation between domestic and foreign investments. Otherwise India would fall again in the control of foreigners.

A survey made it clear that the economic reforms of 1990s have left the poor behind and also suggests that growth is necessary, but that is not sufficient condition for poverty reduction. But growth needs to be complemented with social development programmes viz., improvements in literacy, skills, health status, life expectancy etc. Only then the growth and development process becomes shared one and the benefits percolate down to the poor. This is essential to make the poor, like the co-passengers, in the journey of higher economic growth. At the same time, the

regional divergence in the growth performance and the disparities in poverty reduction need serious consideration and action. It is necessary to maintain development with social justice, otherwise however, high may be the income growth, and if it does not carry the poor section along the rich people would continue to look as grave as ever, both in absolute and relative terms.

So, far, it has been observed that the laws enacted for the educational and employment empowerment of weaker sections have not yielded the desired results on account of the socio-political, economic and administrative bottlenecks. Moreover, loopholes in the existing laws aimed at the empowerment of weaker sections have to be plugged and the law should be implemented with determination and political will, so that everybody is benefited. Along with this, the country needs committed leaders. Thus only a committed bureaucracy and political system could implement the reservation laws with full spirit, resulting in the creation of opportunities for sustained livelihoods, community participation in nation building activities, economic, social and political upliftment of weaker sections, sustained and equitable economic growth leading to the all round development. The more we delay the empowerment of the weaker sections, the larger looms the peril of successively growing weaker generations who may not be fully brought into the tough task of development for the general good of the society, a prospect the nation can ill afford to harbour.

In the globalization era the main issue is problem of poor section of the society and it is one of the most contentious economic issues of modern times, part of the reason for continued disagreement lies in the very nature of globalization, which has many dimensions – some economic, some political, some technological and some cultural and as such may mean different things to different people. There is an argument that globalization is contributing to increasing economic disparities in the world by allowing some countries and some segments of the population to become ever richer while marginalizing the poorer population groups. There is also a blame that globalization itself for deepening poverty in parts of the country. In India poverty remains the same because of globalization not going smoothly for it.

So here it is needed that the country should immediately start targeted programmes for the poor. Government should start more and more programmes which directly benefit to the poor and may also trickle down to the rich.

Government has to play a crucial role in building market supportive institutions and to enhance opportunities for the poor. People cannot be thrown out of jobs without creating alternative avenues elsewhere in the economy. Economic policy has been oriented towards the better off not infrequently at the expense of the poor. Therefore, the country requires policies with “human soul” and not only with “human face”. As Gandhi had reminded us, “the earth has enough for everyone’s needs, but not for some people’s greed.”

III. Conclusions

There is a need to establish some kind of mechanism internally and also nationally to control and regulate those aspects of the liberalized globalization process that can be dangerous and may cause instability and setbacks. We have had a great lesson in the experience of East and South East Asia a few years back. This should not happen in our economy.