



Globalization And It's Impact

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Anecdotal and descriptive evidence has led to the claim that globalization plays a major role in inducing overweight and obesity in developing countries, but robust quantitative evidence is scarce. We undertook extensive econometric analyses of several datasets, using a series of new proxies for different dimensions of globalization potentially affecting overweight in up to 887,000 women aged 15-49 living in 56 countries between 1991 and 2009. After controlling for relevant individual and country level factors, globalization as a whole is substantially and significantly associated with an increase in the individual propensity to be overweight among women. Surprisingly, political and social globalization dominate the influence of the economic dimension. Hence, more consideration needs to be given to the forms of governance required to shape a more health-oriented globalization process.

New millennium has started with a series of new developments, for example globalization liberalization, explosion of information technology etc. Environmental Analysis and diagnosis has been pointed out that these developments provide opportunities provided and to minimize or eliminate altogether the loss likely to be caused by threats posed by new developments due to changing environment.

India was under British rule for about 200 years up to August 14, 1947. This period was a period of exploitation in every possible way. All economic and agricultural policies were framed to subserve interest of British industries. India was made a colony to supply raw materials to British industries but there was heavy import duty in U.K., on Indian manufacturing goods specially cotton textiles. British ruler did not favour to the Indian industries and till the first world war the economic and industrial development was very slow and halting. But gradually the protection was granted to the certain industries during the first half of 20th century and a number of industries develop like jute, engineering, plantation, paper, cement, and indigo with British Capital and cotton textile with Indian enterprises. However overall growth was very low, below one percent in most of the years country nature remained poor and only those infrastructure were develop which helped Britishers to have control over India and proper communication for administration. The post-independent India adopted a system of mixed economy, socialistic pattern of society and planned economy for the welfare of masses. Upto 1980's government was very much concerned to control monopoly and encourage public sector in key areas such as defence mining, heavy industries like steel fertilizer and heavy machinery. With the increasing budgetary deficit and globalization towards, the end of 1980's and 1990 onward the economic policies were liberalised.

The global recession, proclaimed to be once in century occurrence by many of the advanced, sophisticated financial markets of the world. The current economic crisis which originated in the financial sector of U.K. is being transmitted to countries around the world. It has heavily affected the financial and the real sectors. India is not exception to it, Indian economy is also experiencing its heat which resulted in a high degree of nervousness among the investors and uncertainty in the economy.

Price fluctuations are causes of the global recession in the economy, yet it provided incentive to the farmer to produce more and to increase the marketable surplus and level of procurement of wheat & paddy to replenish the stock of foodgrain. But, the open market is higher than the procurement prices. Increase in the procurement prices transfer to the consumer through an increase in the issue and selling prices of wheat and paddy sold through the PDS. This increase the living cost of industrial workers leading to the additional allowance. This in turn increases the fiscal deficit leading to a cut in the development expenditure.

The share of service sector in India GDP at factor cost increased rapidly from 30.5% in 1950-51 to 63.4% in 2009-10. The CAGR in service sector was 10.3% in 2004-05 to 2009-10 which is significantly faster than 6.6% for the combined agriculture and industrial sector annual output for the during that period. The service sector contribute share in FDI inflows and over one-third of total exports and recording of 27.4% export growth during 2010-11. The rise in the service sector's share in GDP marks a structural shift in the Indian economy and takes it closer to the fundamentals of a developed economy (in the developed economics, the industrial and service sectors contribute a major share in GDP while agriculture accounts for a relatively lower share).



Types of Economies- Developing countries are nations with an underdeveloped industrial base where people have lower life expectancy, less education, and less income. Examples of developing countries are most of the countries in Africa and certain countries in east Asia.

Transitional countries are those emerging from a different type of economy towards a market-based economy. Transitional economy refers to all countries that attempt to change their basic economic structure and policies towards market-style fundamentals. The best examples of transitional countries are China and Russia.

Developed countries are countries with a lot of industrial activities and where people generally have high incomes. They have post-industrial economies, meaning the service sector provides more wealth than the industrial sector. The United States of America, Australia, and most of the European countries are examples of developed countries.

An economy can have sectors in both the developing and developed stages, but cannot be transitional at the same time.

The factors aiding globalisation

1) Technology- has reduced the speed of communication manifolds. The phenomenon of social media in the recent world has made distance insignificant.

The integration of technology in India has transformed jobs which required specialized skills and lacked decision-making skills to extensively-defined jobs with higher accountability that require new skills, such as numerical, analytical, communication and interactive skills. As a result of this, more job opportunities are created for people.

2) LPG Reforms- The 1991 reforms in India have led to greater economic liberalisation which has in turn increased India's interaction with the rest of the world.

3) Faster Transportation- Improved transport, making global travel easier. For example, there has been a rapid growth in air-travel, enabling greater movement of people and goods across the globe.

4) Rise of WTO- The formation of WTO in 1994 led to reduction in tariffs and non-tariff barriers across the world. It also led to the increase in the free trade agreements among various countries.

5) Improved mobility of capital- In the past few decades there has been a general reduction in capital barriers, making it easier for capital to flow between different economies. This has increased the ability for firms to receive finance. It has also increased the global interconnectedness of global financial markets.

GLOBALIZATION & INDIA- Developed countries have been trying to pursue developing countries to liberalize the trade and allow more flexibility in business policies to provide equal opportunities to multinational firms in their domestic market. International Monetary Fund (IMF) and World Bank helped them in this endeavour. Liberalization began to hold its foot on barren lands of developing countries like India by means of reduction in excise duties on electronic goods in a fixed time frame.

Indian government did the same and liberalized the trade and investment due to the pressure from World Trade Organization. Import duties were cut down phase-wise to allow MNC's operate in India on equality basis. As a result globalization has brought to India new technologies, new products and also the economic opportunities.

IMPACT OF GLOBALIZATION

Economic Impact- 1. Greater Number of Jobs: The advent of foreign companies and growth in economy has led to job creation. However, these jobs are concentrated more in the services sector and this has led to rapid growth of service sector creating problems for individuals with low level of education. The last decade came to be known for its jobless growth as job creation was not proportionate to the level of economic growth.

2. More choice to consumers: Globalisation has led to a boom in consumer products market. We have a range of choice in selecting goods unlike the times where there were just a couple of manufacturers.

3. Higher Disposable Incomes: People in cities working in high paying jobs have greater income to spend on lifestyle goods. There has been an increase in the demand of products like meat, egg, pulses, organic food as a result. It has also led to protein inflation.

Protein food inflation contributes a large part to the food inflation in India. It is evident from the rising prices of pulses and animal proteins in the form of eggs, milk and meat.

With an improvement in standard of living and rising income level, the food habits of people change.



People tend toward taking more protein intensive foods. This shift in dietary pattern, along with rising population results in an overwhelming demand for protein rich food, which the supply side could not meet. Thus resulting in a demand supply mismatch thereby, causing inflation.

* Shrinking Agricultural Sector: Agriculture now contributes only about 15% to GDP. The international norms imposed by WTO and other multilateral organizations have reduced government support to agriculture. Greater integration of global commodities markets leads to constant fluctuation in prices.

* This has increased the vulnerability of Indian farmers. Farmers are also increasingly dependent on seeds and fertilizers sold by the MNCs.

* Globalization does not have any positive impact on agriculture. On the contrary, it has few detrimental effects as government is always willing to import food grains, sugar etc. Whenever there is a price increase of these commodities.

* Government never thinks to pay more to farmers so that they produce more food grains but resorts to imports. On the other hand, subsidies are declining so cost of production is increasing. Even farms producing fertilizers have to suffer due to imports. There are also threats like introduction of GM crops, herbicide resistant crops etc.

* Increasing Health-Care costs: Greater interconnections of the world has also led to the increasing susceptibility to diseases. Whether it is the bird-flu virus or Ebola, the diseases have taken a global turn, spreading far and wide. This results in greater investment in healthcare system to fight such diseases.

* Child Labour: Despite prohibition of child labor by the Indian constitution, over 60 to a 115 million children in India work. While most rural child workers are agricultural laborers, urban children work in manufacturing, processing, servicing and repairs. Globalization most directly exploits an estimated 300,000 Indian children who work in India's hand-knotted carpet industry, which exports over \$300 million worth of goods a year.

Socio-Cultural Impact on Indian Society- exports over \$300 million worth of goods a year.

Socio-Cultural Impact on Indian Society- Nuclear families are emerging. Divorce rates are rising day by day. Men and women are gaining equal right to education, to earn, and to speak. 'Hi', 'Hello' is used to greet people in spite of Namaskar and Namaste. American festivals like Valentines' day, Friendship day etc. are spreading across India.

* Access to education: On one hand globalisation has aided in the explosion of information on the web that has helped in greater awareness among people. It has also led to greater need for specialisation and promotion of higher education in the country.

McDonaldization is a reconceptualization of rationalization, or moving from traditional to rational modes of thought, and scientific management.

* Walmartization: A term referring to profound transformations in regional and global economies through the sheer size, influence, and power of the big-box department store WalMart. It can be seen with the rise of big businesses which have nearly killed the small traditional businesses in our society.

Psychological Impact on Indian Society

* Development of Bicultural Identity: The first is the development of a bicultural identity or perhaps a hybrid identity, which means that part of one's identity is rooted in the local culture while another part stems from an awareness of one's relation to the global world.

1. Growth of Self-Selected Culture- means people choose to form groups with like-minded persons who wish to have an identity that is untainted by the global culture and its values. The values of the global culture, which are based on individualism, free market economics, and allows democracy and include freedom, of choice, individual rights, openness to change, and tolerance of differences are part of western values. For most people worldwide, what the global culture has to offer is appealing. One of the most vehement criticisms of globalization is that it threatens to create one homogeneous worldwide culture in which all children grow up wanting to be like the latest pop music star, eat Big Macs, vacation at Disney World, and wear blue jeans, and Nikes.

2. Emerging Adulthood- The timing of transitions to adult roles such as work, marriage and parenthood are occurring at later stages in most parts of the world as the need for preparing for jobs in an economy that is highly technological and information based is slowly extending from the late teens to the mid-twenties.



Additionally, as the traditional hierarchies of authority weaken and break down under the pressure of globalization, the youth are forced to develop control over their own lives including marriage and parenthood. The spread of emerging adulthood is related to issues of identity.

3. Consumerism- Consumerism has permeated and changed the fabric of contemporary Indian society. Western fashions are coming to India: the traditional Indian dress is increasingly being displaced by western dresses especially in urban areas. Media- movies and serials- set a stage for patterns of behavior, dress codes and jargon. There is a changing need to consume more and more of everything.

Globalization creates greater opportunities for firms in less industrialized countries to tap into more and larger markets around the world. Thus, businesses located in developing countries have more access to capital flows, technology, human capital, cheaper imports, and larger export markets. Globalization businesses in less industrialized countries to become part of international production networks and supply chains that are the main conduits of trade.

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