

Globalisation and its Impact on Indian Society

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Abstract

The economy of India had undergone significant policy shifts in the beginning of the 1990s. This new model of economic reforms is commonly known as the LPG or Liberalisation, Privatisation and Globalisation model. This set of new reforms had effects on various aspects of Indian society, from economy to culture. The positive impacts of Globalisation has overshadowed the negative effects. But in reality, we cannot ignore this changing mentality of the society, our lifestyle and our perception of modernisation. India is moving at a warp speed towards the new notion of modernisation as westernisation.

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Introduction

The economy of India had undergone significant policy shifts in the beginning of the 1990s. This new model of economic reforms is commonly known as the LPG or Liberalisation, Privatisation and Globalisation model. The primary objective of this model was to make the economy of India the fastest developing economy in the globe with capabilities that help it match up with the biggest economies of the world. The chain of these reforms targeted at lifting the economy of the country to a more proficient level and had influenced the overall economic growth of the country in a significant manner.

Liberalisation refers to the slackening of government regulations. Privatisation refers to the participation of private entities in businesses and services and transfer of ownership from the public sector (or State) to the private sector as well. Globalisation stands for the consolidation of the various economies of the world. This had had a huge impact on the Indian economy, society, technology, culture and social norms leading to modernisation and an attempt to westernise the nation. This process has definitely proved highly beneficial for the economic growth of our nation but at the same time it comes with some limitations.

Launching its First 5 year plan, India started its journey to economic development treading the path of socialist pattern of society where Private sector was to play only a subordinate role. Industry and trade were subjected to many restrictions including quotas of production and permits of imports and exports.

In 1991, India met with an economic crisis relating to its external debt — the government was not able to make repayments on its borrowings from abroad; foreign exchange reserves dropped to levels that were not sufficient for even a fortnight. The crisis was further compounded by rising prices of essential goods. All these led the government to introduce a new set of policy measures which changed the direction of our developmental strategies. In this chapter, we will look at the background of the crisis, measures that the government has adopted and their impact on various sectors of the economy.

Impact of LPG on Economy:

The first step towards globalisation was taken with the announcement of the devaluation of Indian currency by 18-19 percent against major currencies in the international foreign exchange market. In fact, this measure was taken in order to resolve the BOP crisis

Under the privatisation scheme, most of the public sector undertakings have been sold to private sector. At present, only six industries are under compulsory li-

censing mainly on accounting of environmental safety and strategic considerations. A significantly amended locational policy in tune with the liberalised licensing policy is in place.

The Department has put in place a liberal and transparent foreign investment regime where most activities are opened to foreign investment on automatic route without any limit on the extent of foreign ownership. Some of the recent initiatives taken to further liberalise the FDI regime.

The rate of growth of the Gross Domestic Product of India has been on the increase from 5.6 per cent during 1980-90 to seven per cent in the 1993-2001 period. The foreign exchange reserves (as at the end of the financial year) were \$ 39 billion (2000-01) reaching to \$ 372.7 billion (as of April 2017). The cumulative FDI inflows from 1991 to September 2006 were Rs.1, 81,566 crores (US \$ 43.29 billion).

Impact on Agriculture:

In 1951, agriculture provided employment to 72 per cent of the population and contributed 59 per cent of the gross domestic product. However, by 2001 the population depending upon agriculture came to 58 per cent whereas the share of agriculture in the GDP went down drastically to 24 per cent and further to 22 per cent in 2006-07. This has resulted in a lowering the per capita income of the farmers and increasing the rural indebtedness.

The reasons for the deceleration of the growth of agriculture are given in the Economic Survey 2006-07: Low investment, imbalance in fertiliser use, low seeds replacement rate, a distorted incentive system and low post-harvest value addition continued to be a drag on the sectors performance.

The number of rural landless families increased from 35 per cent in 1987 to 45 per cent in 1999, further to 55 per cent in 2005. The farmers are destined to die of starvation or suicide.

Globalisation's Effect on Indian Culture and Society:

The advent of foreign companies and growth in economy has led to job creation. There are greater number of jobs in the private sector now. Although these jobs are concentrated more in the services sector. This has led to a rapid growth of services sector creating problems for individuals with low level of education in the agriculture and manufacturing sector.

Globalisation has led to a boom in consumer products market. We have a range of choice in selecting from an array of goods and services in the market as compared to limited choices in post globalisation era. People in cities working in high paying jobs have greater income to spend on lifestyle goods.

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. On the flip side the advent of private education, coaching classes and paid study material has created a gap between the privileged and underprivileged.

It has been estimated that by 2050 more than 50% of India population will live in cities. The boom of services sector and city centric job creation has led to increasing rural to urban migration.

The western influence of individualism has led to an aspirational generation of youth. Concepts of national identity, and of family, job and tradition are changing rapidly and significantly. Joint families are breaking up into nuclear families due to increasing migration and financial independence. The rise of nuclear families has reduced the social security that the joint family provided. This has led to greater economic, health and emotional vulnerability of old age individuals.

The internet has opened up opportunities for people to learn more about foreign cultures and places. It has made Indians more acceptable and tolerant towards change. Globalization has broken all borders. As a result, the new generation of Indians is more knowledgeable, more aware and more interested in the world around them.

There is greater access to news, music, movies, videos from around the world. Foreign media houses have increased their presence in India. It has a psychological, social and cultural influence on our society.

Consumerism has 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. Westernisation is being projected as modernisation and growth of the society.

Regional languages are on the verge of extinction. They have been replaced by English or other international languages.

Indian youngsters have started getting obsessions with western clothing, western languages and western mannerisms.

Youngsters have started celebrating festivals such as Valentine's day with great enthusiasm. Indian festivals are dying out really fast.

Indian Classical music has gained worldwide recognition.

Western music is becoming very popular in our country.

Fusing Indian music along with western music is encouraged among musicians. More Indian dance shows are held globally.

Religion still plays a central and definitive role in the life of most of its people. Despite the strong role of religion in Indian life, atheism and agnostics also have visible influence along with a self-ascribed tolerance to other faiths.

The timing of transitions of people 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.

The greater connectedness of the world has also led to the increasing susceptibility to diseases. Whether it is the bird-flu virus or Ebola greater investment in health-care system is required to increase its capacity to withstand such epidemics. It has also led to increasing cost of healthcare for individuals.

Despite prohibition of child labor by the Indian constitution, over 60 to a 115 million children in India work. Globalisation 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. Uncounted other children work in less formal sectors, such as the incense industry, used both domestically and exported.

Sudden withdrawal of subsidies in agricultural inputs has affected Dalit farmers. Again drastic job cuts in government organisation and disinvestments in

PSUs have 'made Dalits marginalised. The so-called reservation policies for Dalits have become valueless, as there are no jobs in government organisation and reservation policy is not applicable to private sector.

Effects of Globalisation on Women in India

Globalisation has indeed promoted ideas and norms of equality for women that have brought about an awareness and acted as a catalyst in their struggle for equitable rights and opportunities. On the other hand it may exacerbate gender inequality in a patriarchal society, especially in the developing world.

With new jobs for women, there are opportunities for higher pay, which raises self-confidence and brings about independence. This, in turn, can promote equality between the sexes, something that Indian women have been struggling with their entire lives. Globalisation has the power to uproot the traditional treatment towards women to afford them an equal stance in society.

Out of the total 397 million workers in India, 123.9 million are women and of these women 96% of female workers are in the unorganised sector.

Although more women are now seeking paid employment, a vast majority of them obtain only poorly paid, unskilled jobs in the informal sector, without any job security or social security. Additionally working women in India are more likely to be

subjected to intense exploitation; they are exposed to more and more risks that cause health hazards and are forced to endure greater levels of physical and mental stress. It is not only in the unorganised sector or in small enterprises, but also in the modern sectors like the Information Technology and the automobile sectors where working women are forced to work for 12 hours.

Disinvestment of public sector undertakings on the pretext of privatisation was affected women employees who were in the danger of losing equal pay, maternity benefits and other social security benefits.

Conclusion:

Efforts to protect local culture from the homogenising effects of globalisation are often intertwined with other, sometimes questionable motives, including economic protectionism and the political suppression of ideas. Increased number of marginalised groups in Indian society in last decade explains major fault with existing socio-economic policies or political system. We cannot have liberalisation and globalisation policies that perpetuate inequality in society. Existence of dissatisfied groups in society may lead to social conflict and violence in the long run. Positive effects of Globalisation, evident from increasing GDP, FDI, India's trade share in the global market, and its emergence as a global power influencing the financial policies, modernisation in agriculture and increase in no. of MNCs and private sector, cannot be ignored.

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