

# GLOBALISATION AND ITS IMPACT ON RURAL DEVELOPMENT

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**Abstract:** Globalization is the openness of economy to whole world. It has been associated with key areas of change, which have led to a marked transformation of the world order. Globalization in India is generally taken to mean integrating the economy of the country with the world. This, in turn, implies opening up the economy to foreign direct investment by providing facilities to foreign companies to invest in different fields of economic activity in India. The main policy initiated towards globalization by the Government of India can be discussed under many headings. Globalization can be a major force for prosperity only if it is backed by adequate national policies and conducive social and economic environment. Promoting development in rural areas is a slow and complex process. It requires simultaneous action in various sectors, in an environment undergoing rapid, sometimes volatile change. And what is happening in the global economy how can we then expect the rural poor to understand new global trends, respond to new challenges and tap opportunities. For this reason alone, it is important for all stakeholders to work together and identify which aspects of globalization will affect the livelihoods and welfare of the rural poor and how. But we need deep analysis. We must critically analyze global processes from the point of view of indigenous and endogenous knowledge systems, and ask whether local knowledge systems and social systems can cope with ever rapid change. The basic motivation for our study is that globalization exerts some powerful forces that shift the location of some decision making and policy implementation from its original location at the national level to state and local level, and that that shift if not fully recognized. The result is that there is a failure to understand where policy making and implementation is taking place in today's world, and also an associated failure to recognize the importance to strengthen state and local policy institutions.

**Keywords:** Globalization, Liberalization, Privatization, Rural Development.

## INTRODUCTION

Globalization is to treat the whole world as one village. The Concept Of global Village is not a concept. Today the social economic and political relation have crossed all national boundaries. There are many positive and negative points regarding globalization. The people of many developing countries like India are feeling the adverse effect of increasing globalization in terms of livelihood and employment. The rural farmers are affected by the rise and fall of world markets and the storm of globalization is threatening to sweep the Indian culture. Today the Indian Rural market is full of foreign goods. According to one estimates there are about 4600 foreign companies selling cosmetics, soft drinks, fast foods and electronic goods. They have even claiming patent rights on Indian plants and trees by producing the seeds. The globalization economic process whose scope spreads countries and societies of the overall the counties and societies of the world. Globalization is the process of integration of the world economics in condition of free markets, which includes free flow of trade and capital and movement of persons across national borders free flow of technology and removal of all tariff and non-tariff barrier.

Globalization Term was first used in 1959. Globalization is a major source of change. It is a complex process, consisting of global penetration of finance and market, information and media, technology and culture, transport and tourism, and even crime. Globalization in all of its aspects may not be new.

Liberalized trade regimes as well as more integrated and consumer driven agricultural and food markets are globalizing rapidly and driving innovations, forcing farmers to adapt or lose out. At the country level, it is increasingly the system of growers-packers-exporters of a country that competes against the business system of another country, and not necessarily business entities independently.

We are in the midst of a transformation to a network economy with a shift from markets to networks, from quantities to qualities, from commodities to niches, and from supply-driven to demand-driven large chains. The new developments have provided opportunities for small farmers too. Some of them are linked to supermarkets (in certain products at least).

At least the 'new age' brokers have started to prefer direct ties to producers. The new market outlets also prefer stability and consistency of (quality) supply (as important as price) with long term contracts. All of these are expected to offer challenges to smallholders but also unexpected opportunities.

### LITERATURE SURVEY

Reardon and Timmer (2005) have proposed two theoretical perspectives to understand the transformation of markets in developing countries over the past half century: (1) structural transformation as a regular economic process, with both demand and technological drivers; and 2) induced technological, organizational, and institutional changes, which respond to those drivers. Increased competition is driven by policies of market privatization and economic liberalization. John Maynard Keynes, in his essay National Self Sufficiency argued, "economic entanglements through trade and finance added to global destabilization - let good be homespun whenever it is reasonably and conveniently possible, and finance be national."

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Adam Smith on his famous work Wealth Of Nations wrote that, "The discovery of America and that of a passage to the East Indies by the Cape of Good Hope are the two greatest and the most important events recorded in the history of mankind."

In addition to the opportunities mentioned above I would add the role of ICT as a major opportunity to rural livelihoods and poverty reduction. It can play a major role in enhancing the activities of the rural poor and increasing their productivity. It can facilitate access to services and to market information or lower transaction costs of poor farmers and traders. ICT can also play a major role in helping to monitor food security related issues (such as weather, droughts, crop failures, pests), and to inform governments on impending food scarcities and famines. (Kelles-Viitanen 2003).

Opportunities for rural organizations come also from increasing democratization. According to some estimates the number of democratic countries has increased from 41 in 1974 to 121 in 2002. With increasing political decentralization, the rise of civil society and increasing relevance of participatory policy processes also come many opportunities to influence development directions at local and global levels. (Birner and Resnick 2005).

### OBJECTIVES

Our study in this paper has following main objectives:

1. To study and understand the present socio-economic conditions of Indian rural life and urban
2. To study the concept of 'global village' through the impact of globalization.
3. To study new potential for development and wealth creation

### CHALLENGES

Due to globalization environment, we face following challenges now a days:

1. Increased competition in domestic markets due to trade liberalization.
2. Loss of competitive advantage on labor and property costs.
3. Removal of support mechanisms as part of reregulation of global economy.
4. Transnational corporate concentration and loss of local control.
5. Vulnerability to distant political and economic event

## GLOBALIZATION IN INDIA-EVALUATION

Globalization has brought rapid changes at the international level. Due to the sophisticated means of communication and new technology many things like production, ideas, working methods and other things are fast becoming obsolete. The process of globalization is taking the developing countries in its grip. It tends to strengthen international financial organization so that they can interfere in the affairs of these countries. The process of globalization influences economy, communication, politics and culture. All these things have become more interconnected in the whole world and the culture of universalization is spreading all around us.

In India the growth rate was never more than 6% in 1990 decade. Before that the average growth rate was only 3%. In the decade of 1990, the situation was stable which was conducive to experiments with policies of liberalization, globalization, economic reforms and new experiments. At this time our foreign exchange reserves were close to zero. Now we have almost 120 lakh dollars as foreign exchange reserves.

The Rajiv Gandhi Chair for Panchayati Raj Studies of the Gandhigram Rural University, Tamil Nadu with a grant made available by the Ford Foundation, New Delhi conducted a series of empirical verifications to record the impact of Background to the "Active Regions" project The model and demonstration project "Active Regions – Shaping Rural Futures" was launched in the form of a nationwide contest by the German Government in 2001. The contest addressed regions which would, as a model, implement approaches to the four aims of consumer focus, nature-friendly and environmentally compatible agriculture, strengthening rural areas and creating additional sources of income and fostering rural-urban connections. Taking the above-mentioned goals into consideration, interest groups of the regions had to create regional partnership networks and draw up an integrated regional development plan (REK) based on the specific strengths, weaknesses and potentials of their region. There are many act and laws which promote rural development OECD 2006 (Rural Policy Reviews. The New Rural Paradigm. POLICIES AND GOVERNANCE), OECD 2006 (Rural Policy Reviews), OECD 2006 (Rural Policy Reviews).

## RURAL DEVELOPMENT IN GLOBALISE INDIA

At a time when countries of the world are fast adopting to market oriented economic policies, the demands of the time are multi-faceted. If we can take them as urgent, important, and long-term: the urgent among them is poverty reduction; important among them is economic growth; and the long term among them is sustainability of this model of development. A country needs international trade relations and economic growth; Businesses need profits; and the poor need their basic necessities such as employment and fair wages, food security, health care, education for children, safe drinking water supply, and dignity in the way we steer development; the civil society institutions look for integrity in democratic practice. The views differ depending upon vantage-points. The aspirations are varied. But still ultimately what is desirable is dignity in development; a world free of poverty and hunger; equity in distribution of economic growth; a society that is equitable and just with peace.

Economists, especially the neo-liberals, argue in favour of economic benefits to the country; Industrialists ponder over business prospects and profitability across countries and continents; environmentalists argue in terms of sustainability of resource use; development professionals raise questions of poverty reduction and equity. We seem to live in a time that is most interesting in human history. The basic argument in favour of globalization policies is that they lay strong grounds for capital formation, exchange of technology, knowledge generation and information dissemination, and above all communication connectivity. The flow of capital through Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII), coupled with private participation in economic development and employment generation have resulted for the Indian economy to be agile, and spoken about in the world forums Rural Development. Development is used differently in diverse contexts. Generally speaking development implies a change that is desirable. Society is dynamic, and so, what is desirable at a particular time, place and in a particular culture may not always be desirable at other places or

at other times at the same place and in the same cultural milieu. Therefore, it is impossible to think of a universally acceptable definition of development. But a development index generically includes aspects such as: (i) Increase in real income per capita (economic growth); (ii) improvement in distribution of income (equity); (iii) political and economic freedom; and (iv) equitable access to resources, education, health care, employment opportunities and justice.

### **Political Impacts**

- Nation states exist to protect the property & profits of the corporations, not the health & rights of individuals. In the U.S., corporate rights prevail over individual rights.
- Elimination or severe curtailment of government sponsored programs, such as extension, that promote the well-being of all citizens.
- Employment & unemployment patterns employment patterns change from full employment at a living wage toward indentured, child, and slave labor, “flexible” employment, part-time jobs, & increased unemployment.

### **Economic Impacts**

- Corporate market growth takes precedence over everything else.
- Government exists only to support the corporate bottom line.
- Provision of local services, facilities, and benefits are abandoned by national governments or dumped on poorly funded local government.

### **Social Impacts**

Rural communities are experiencing:

- Decreased access to quality education.
- Decreased access to quality health care.
- Stagnant or moribund social institutions— churches, clubs, social centers.

### **Environmental Impacts**

“Our forests are over logged, our agricultural lands over cropped, our grasslands overgrazed, our wetlands over drained, and our groundwater is over tapped, our seas overfished, and just about the whole terrestrial and marine environment over polluted with chemical and radioactive poisons.

### **Gendered impacts**

- Feminization of poverty as women’s work is disvalued and rendered invisible.
- Increase in women performing low-wage or nonwage work.
- Increase in the numbers of women in “sweatshop” work.
- Resources and knowledge for food and survival that have traditionally been under women’s control or local community control move to the control of corporations

## **IMPACT OF GLOBALIZATION ON INDIAN RURAL LIFE**

Rural development primarily concerned with uplifting people out of poverty. The impact of globalization on rural societies, there economy, environment must therefore be viewed through this perspective. The present paper therefore is an attempt to what impact globalizations having on rural areas. Major aspects of globalization that relate to rural life or its development which includes the commercialization of agriculture and expansion of

agro-industries, the liberalization of international trade and marketing for food and other agricultural products, the intensification and internal labor migration, the increasing privatization of resources and services and the wider use of information and communication and technologies. Thus, the wave of globalization hit India at the end of the last century, which results in all the spheres life. Labor migration to cities from rural areas in search of employment was a common phenomenon. This was for various reasons especially for luxurious life, handsome salary and for numerous job opportunities. Earlier there was a 'minimum wage act' and now equal wage for all is provided. Today the percentage of village people attending the call of nature in open fields is reduced. The good roads restrict make them successful to sale agricultural products from villages to goods markets in cities & towns. As a result they can earn good price of their product. Life in rural India was miserable due to non-availability of electricity. Several villages have been electrified. It is big benefit in rural development. Globalization is going to make much difference to rural life through electricity. If this is supplied uninterruptedly 10-12 hours per days to these villages then ultimately, the process of development in rural life will be rapid. Education is concerned, in villages school buildings are available in villages and numbers of teachers are appointed in primary schools so as to improve the primary education. The infrastructures like benches, boards and other facilities are of improved quality. There is, however, another positive development that girls are attending the schools in the villages. Also the number of students attending graduate and post graduate courses is increasing with awareness among students from rural areas. The technical education is providing to most of the students from rural areas to secure employment. Technology is trying to make use of it in villages and other communication infrastructure. People know about the internet. There exists number of small scale industries in villages to provide employment to educated youth. Government is trying to push the technological changes in the agriculture to make it a profitable venture. Efforts have resulted as success stories in selected cases. India's real culture is still preserved in rural life even though the advancement of technology has much influence in rural areas. People still prefer to wear dresses of old fashion and celebrate festivals in old styles. Folk dances and folk songs are still popular among villagers. Meanwhile the villagers have awareness and culture is touched and affected by western influence. Thus Globalization has an impact on rural life as standards of living are good and migration of people is taking place and poor people are moving to urban areas in search of employment. But, as we know every coin has two sides there are numerous advantages of Globalization on the rural scale or the Indian Village. The impact of globalization has been felt by the Indian rural market as much as the urban counterpart. Hence, we can see that today changes are taking place rapidly in all walks of life and rural areas are no exception to this. Improved infrastructure facilities, economic liberalization, renewed emphasis on agribusiness and small industries, fast changing agricultural technology, scope for commercialization of agriculture, greater budgetary provision for rural people are few reasons to mention. Moreover, various socio-cultural, psychological and political aspects of rural life are also changing. The farmers in the Indian village now have access to the advanced equipment for agriculture, which leads them to better yields and in turn it helps the economy of the country. Globalization also provides better exposure to the agricultural produces and ensures the farmers that they get the correct value for the produces due to globalization.

### **THE IMPACT OF GLOBALIZATION ON INDIAN URBAN LIFE**

Being a diverse country, India is rapidly urbanizing along with the density of the population. The implications of globalization for a national economy are many. Globalization in India has intensified interdependence and competition between economies in the Indian market. Changes have taken place in the last two decades especially in the nature and pattern of urban growth. Economic and spatial structures of cities have begun to reflect the changing composition of the global regional markets. New townships with high quality infrastructure have sprung on the periphery of large cities. The emergence of the software and services outsourcing in India as one of the most visible outcomes of globalization on land and housing markets. For making local economies competitive, the cities are in the process of improving city image and quality of life through infrastructure and

other projects. The pattern of urban life in India is characterized by continuous concentration of population and activities in large cities. Nearly 30% of the total population lives in urban areas along with population pressure with the fulfilment of their needs. Every step of movement towards economic, political and cultural modernization, taken by the state in India, is responded to by the people with an enhanced sense of self-consciousness and awareness of identity. The linkages both visible and invisible, defining the cultural interdependence among communities and regions in India which have existed historically, reinforce instead of threatening the national identity. These bonds seem to become stronger as India encounters the forces of modernization and globalization. Flowing with globalization, India is shining in nearly every prospect. India is getting a global recognition and slowly moving towards to become a major economic and political strength.

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