

UNIT 1 – UPSC - Effects of Globalisation on Indian Society

Globalization is a significant factor in competitive world that integrate and mobilize cultural values of people at global level. In the age of rapid technical progression, many countries are unified and transformed due to the process of globalization. Globalization has a huge impact on cultural, social, monetary, political, and communal life of countries. Abundant theoretical studies demonstrated that globalization intercedes in a cultural life of populace that raises numerous critical issues (Robertson, 1992). In broad sense, the term 'globalization' means combination of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Globalization is described by theorists as the process through which societies and economies are integrated through cross border flows of ideas, communication, technology, capital, people, finance, goods, services and information.



Aspects of Globalisation

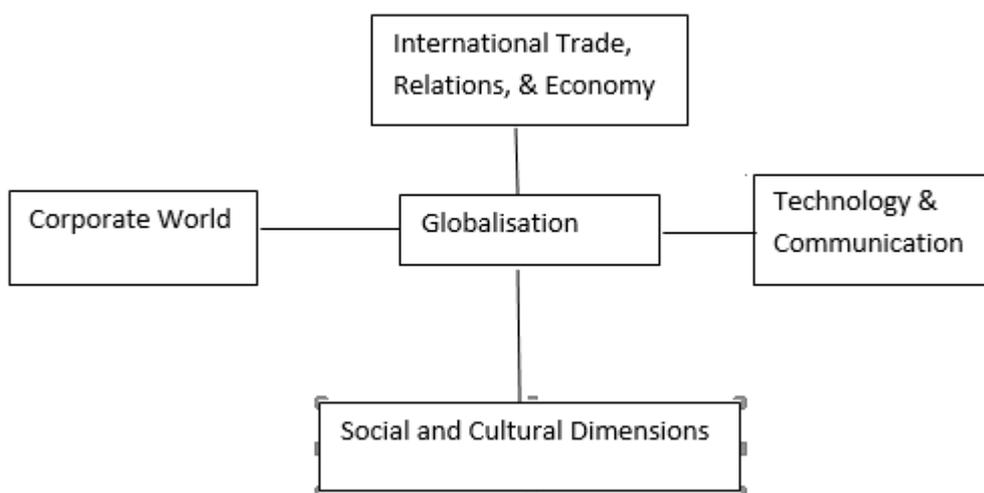
Cross country incorporation has several aspects and can be political, cultural, social and/or economic, all which equal globalization. Nevertheless, financial integration is the most common aspects. Economic integration involves developing a nation's economy into an international economy. After World War I and II the early trends of globalization decreased throughout the world due to many barriers which restricted the movement of goods and services. In fact, cultural and social integration are even more than economic integration. Globalization increases competitiveness at company level and national level, which leads company management and governments to embrace strategies designed to increase labour effectiveness with reference to productivity, quality and innovation.

Generally, globalization involves economies that are opening up to international competition and that do not distinguish against international capital. Consequently, globalization is often accompanied by a liberalization of the markets and the privatization of productive assets. But globalization also leads to unemployment, increasing casual employment and weakening labour

movements. Theoretical literature denotes that Globalization has made countries to realize that they can share their cultural values and economic exchanges to promote business and gain competitive advantage. The fervour of globalization has even enforced Governments to be tuned to the merits of a Global economy. Management studies have defined the process of globalization. Fraser (2007) explained that Globalization is a word on every commentator's lips nowadays, but is very difficult to define satisfactorily, for it arises in so many different contexts like economic, sociological, political, cultural and environmental. Akteruzzaman.Md, 2006 stated that globalization is the interconnectedness of nations and regions in economic domain, in particular, trade financial flows and multinational corporations.

Concept of Globalisation

The concept of globalization means that the world is getting smaller as well as bigger. Akteruzzaman.Md, 2006 described that globalization can contribute to develop pattern of cross border activities of firms, involving international investment, trade and strategic alliances for product development, production, sourcing and marketing. These international activities companies to enter new markets, to exploit their technological and organizational advantages and to reduce business costs and risks. Other theorists stated that globalization is a social phenomenon that defines the geographical boundary in terms of many different issues. According Brinkman, 2002, globalization as a triumphalism light, as the penetration of capitalism into every corner of the world, bringing with it the possibility for all of the world's population to participate in the fruits of the international division of labour and market economy. ALI, 2015 explained the globalization as a process of rapid economic, cultural, and institutional integration among countries. This association is driven by the liberalization of trade, investment and capital flow, technological advances, and pressures for assimilation towards international standards. Globalization has reduced barriers between countries, thus resulting in strengthening of economic competition among nations, dissemination of advanced management practices and newer forms of work organization, and sharing of internationally accepted labour standards.



Challenges of globalization and its effects

Many theorists asserted that change in environment has both positive and negative aspects (Harris, 2002). These stimulate driving or resisting forces toward the change of the status quo. This is most obvious relative to both globalization, and the resulting spread of the global organization. There are four factors that accelerate globalization.

The market imperative: Impact on national economies of larger, transnational markets characterized by free, convertible currencies, open access to banking, and contracts enforceable by law.

The resource imperative: Growing interdependence of nations and their activities on one another, fostered by the depletion of natural resources, misdistributions of arable land, mineral resources, and wealth, as well as overpopulation. The undeveloped nations need the capital, technology, and brainpower of the wealthier countries, while the First World economies are progressively dependent on the natural and human resources of the developing nations.

The IT imperative: Modernizations in glob communications, science and technology contribute toward universalization or planarization.

The ecological imperative: Globalization does have great effect on the ecologies and environments of nations which need to safeguards that lessen the negative effects rather than exploiting without regard to such concerns.

India was main mover of globalization. The government of India made major modifications in its economic policy in 1991 by which it allowed direct foreign investments in the country. As a result of this, globalization of the Indian Industry occurred at large scale. In India, economic expansion was observed in nineteenth century due to major crisis led by foreign exchange. The liberalization of the domestic economy and enhanced incorporation of India with the global economy helped to step up gross domestic product (GDP) growth rates which made good position in global scale. Effects of globalization in Indian Industry are observed as this process brought in large amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As a result, they boosted the Indian economy quite significantly. The benefits of the effects of globalization in the Indian Industry are that many foreign companies set up industries in India, especially in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to offer great opportunities for employment to Indian people. Also this helped to reduce the level of unemployment and poverty in the country. It is observed that the major forces of globalization in India has been in the development of outsourced IT and business process outsourcing services. Since last many years, there is an increase of skilled professionals in India employed by both local and foreign companies to service customers in the US and Europe. These countries take advantage of India's lower cost but highly talented and English-speaking work force, and utilizes global communications technologies such as voice-over IP (VOIP), email and the internet, international enterprises have been able to lower their cost base by establishing outsourced knowledge-worker operations in India. The foreign companies brought in highly advanced technology with them and this made the Indian Industry more technologically advanced. Globalization in India has been beneficial for companies that have ventured in the Indian market. It is recommended by researchers that India has to focus on five important areas to enhance its economic status. The areas include technological entrepreneurship, new business openings for

small and medium enterprises, the importance of quality management, new prospects in rural areas and privatization of financial institutions.

In terms of export and import activities, Many Indian companies have expanded their business and became famous at global level such as fast food, beverages, and sportswear and garment industries. Records indicated that Agriculture exports account for about 13 to 18% of total annual export of the country. In 2000-01, agricultural products valued at more than US\$6 million were exported from the country of which 23% was contributed to the marine products alone. Marine products in recent years have emerged as the single largest contributor to the total agricultural export form the country accounting for over one fifth of the total agricultural exports. Cereals (mostly basmati rice and non-basmati rice), oil seeds, tea and coffee are the other prominent products each of which accounts for nearly 5 to 10% of the countries' total agricultural exports. Globalization speeded export of food items in India in the form of increased consumption of meat, western fast food, sodas and cool drinks, which may result in public health crisis. The rich biodiversity of India has yielded many healthy foods prepared from locally available entities. But the marketing by MNCs with large advertisement campaigns lead the people to resort to their products (Mascarenhas, 2003).

Figure: Indian companies going global:

Buyer	Acquisition
Mittal Steel	Arcelor, Luxembourg
Reliance Industries	Flag telecom Bermuda
Tata Motors	Daewoo Korea
Infosys technologies	Expert Information Services, Australia
Bharat Forge	Carl Dan Peddinghuas, Germany
Ranbaxy	RPG, (Aventice) Laboratories, France
Wockhardt	CP Pharmaceuticals, UK
Cadia health	Alpharma SAS, France
Hindalco	Straits Ply, Australia
Wipro	Nervewire, Inc, USA
Aditya Birla	Dashiqiao Chem, China
United Phosphorus	Oryzalin Herbicide, USA

Technological and Cultural impact of globalization in India

With the process of globalization, there is an access to television grew from 20% of the urban population (1991) to 90% of the urban population (2009). Even in the rural areas satellite television has a grown up market. In the cities, Internet facility is everywhere and extension of internet facilities even to rural areas. There is an increase of global food chain /restaurants in the urban areas of India. Excessive Multiplex movie halls, big shopping malls and high rise residential are seen in every cities. Entertainment sector in India has a global market. After economic liberalization, Bollywood expanded its area and showed a major presence in the global scale. The industry began to explore new ways to become more global and modern. In India, modernity is observed with the West. Therefore, Western philosophy began to be incorporated into Bollywood films. As these new cultural messages began to reach the Indian population, Indian moviegoers were pushed to re-evaluate their traditional Indian cultural ideology. Bollywood movies are also

distributed and accepted at international level. Big international companies (Walt Disney, 20th Century Fox, and Columbia Pictures) are investing on this sector. Famous International brands such as Armani, Gucci, Nike, and Omega are also making investment in the Indian market with the changing of fashion statement of Indians.

Impact of globalization on education in India

There is immense effects observed in educational sector due to globalization such as literacy rate become high and Foreign Universities are collaborating with different Indian Universities. The Indian educational system faces challenges of globalization through Information technology and it offers opportunities to evolve new paradigms shifts in developmental education. The distinction between formal, non-formal and informal education will vanish when move from industrial society to information society takes place. Globalization promotes new tools and techniques such as E-learning, Flexible learning, Distance Education Programs and Overseas training.

It is observed in current Indian society that through globalization, women have gained certain opportunities for job options and to recognize women's rights as a part of the human rights. Their empowerment has given considerable opportunities and possibilities of improving employment conditions through global solidarity and co-ordination. It is found that the growth of computer and other technologies enabled women with better waged, flex timings, and capacity to negotiate their role and status in home and at corporate level.

There are some negative impact of globalization such as this process made disparity between rural and urban Indian joblessness, growth of slum capitals and threat of terrorist activities. Globalization increased competition in the Indian market between the foreign companies and domestic companies. With the foreign goods being better than the Indian goods, the consumer preferred to buy the foreign goods. This reduced the amount of profit of the Indian Industry companies. This happened mainly in the pharmaceutical, manufacturing, chemical, and steel industries. The negative Effects of Globalization on Indian Industry are that with the coming of technology the number of labour required are decreased and this resulted increasing unemployment especially in the arena of the pharmaceutical, chemical, manufacturing, and cement industries. Some section of people in India that are poor do not get benefit of globalization. There is an increased gap between rich and poor that lead to some criminal activities. Ethical responsibility of business has been reduced. Another major negative effect of globalization in India is that youngsters of India leaving their studies very early and joining Call centres to earn fast money reducing their social life after getting habituated with monotonous work. There is an increase of every daily usable commodities. This has an adverse effect on cultural aspect. The institution of marriage is breaking down at fast rate. There are more people approaching divorce courts instead of maintaining marital life. Globalization has considerable impact on the religious situation of India. Globalization has brought about raising a population who is agnostic and atheist. People visiting places of worship are reducing with time. Globalization has reduced nationalism and patriotism in country.

It can be said that Globalization is motivating factor in current business environment. There are few challenges for companies due to globalization such as Migration, relocation, labour shortages, competition, and changes in skills and technology. Globalization powerfully influences the social partners' attitudes since traditional labour relations have to cope with completely new and very

dynamic situations. In political field, globalization helps to eradicate poverty, malnutrition, illiteracy, ill-health and fighting cross border terrorism and global terrorism. Globalisation in context of status of women implicates the relegation of the stereotypic pattern of duties of the women like rearing and caring the children to the back ground and taking up the various diversified occupation and thus making their living quite vibrant and alive. Globalisation benefits the schedule caste people in promoting cultural homogeneity in the way of loosening of the ideas of pollution and purity and eradication of untouchability and so many socio-cultural and economic disabilities associated with them. Globalisation of goods has developed enthusiasm in India for western brand names. A consumerist mentality has been carefully fostered. This leads to an adversative impact on the tendency to save or the domestic accumulation of capital. Lastly, in Indian scenario, globalization developed a consumer credit society. Today, people can buy goods and services even if they do not have sufficient purchasing power and the prospect of raising a loan has become easy in the age of globalisation. Credit cards have given boost to consumerism and pushed many households into indebtedness. At the same time globalization has unfavourable impact on mass-media in India. Currently, realistic coverage of events and happening doesn't receive much importance because it doesn't determine the standing of a newspaper or TV channel. Globalisation has brought violation of journalistic ethics in India.

To summarize, the process of globalization has changed the industrial pattern social life of global people and it has immense impact on Indian trade system. The globalization of the economic, social and cultural structures happened in all ages. Previously, the pace of process was slow. Today with the start of the information technology, new ways of communication have made the world a very small place. With this process, there is a big market place. Globalization has resulted in increase in the production of a range of goods. MNCs have established manufacturing plants all over the world. It has positive effects and India will overcome many obstacles and adopt global policies to expand business at international scale. India is gaining international recognition and strengthening in economic and political areas.