



## CORE ISSUES OF GLOBALIZATION ON INDIAN AGRICULTURE

## Economics

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## ABSTRACT

This paper is deals with the core issues of globalization on Indian agriculture, Agriculture is an important part of India's economy and at present it is among the top two farm producers in the world. This sector provides approximately 52 percent of the total number of jobs available in India and contributes around 18.1 percent to the GDP. The establishment of WTO is an important milestone in the history of international trade. India played an important role in establishment of GATT and then in establishment in WTO. India became the member of GATT in 1947 and started to play its part and now it's an active member of WTO, the replacement of GATT, which came into effect on 1st January 1995 in Uruguay Round. India is very favour of governance of international trade which is based on international rules and regulations. It believes that trade will not only benefit its economy but will also benefit all 134 members. When developing countries were liberalizing and expanding their economies, they felt the need for better export opportunities.

## KEYWORDS

Agriculture, Economy, Globalization, Production system, Development, Rural Marketing.

## INTRODUCTION:

The Common Meaning of Globalization is to treat the whole world as one village. The Concept Of global Village is not a concept. Today the social economic Culture ion and political relation have crossed all national boundaries. This increasing self-dependence of the world can be called global commercialization or away. 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 is a wide and comprehensive 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.

## Agriculture:

Economic development of a country in directly related to the growth of agriculture. Agriculture sector provide the employment opportunity to the peoples .India has also been striving to develop the country agriculture since independence. Agriculture played a key role in our planned economy with its advantage of low investment and the base of industries.

According to George Washington, "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture, its breeds of useful animals, and other branches of husbandman's cares." The development of agriculture is being given due importance by the govt. in order to achieve the following objectives:

1. For issuing food safety
2. For creating farming societies for international economic exchange
3. To stimulates the growth of farmers.
4. To increase GDP.

## Impacts of Globalization of Indian Agriculture:

Experts beloved that globalization will help to balanced development of agricultural sector, changes would occur in the economic conditions of the farmers, agricultural products would get proper prices, employments would be available in agriculture, rural industries, cottage industries, small industries would start and farmers would be happy but this belief is going to be false. According to the policy of WTO India has to reduce import duty by 50% for agricultural goods till 2008. India has to compete in the field of agriculture in future. Also, India has to import 5% of the domestic market. Out of Indian

population 25% people still below poverty line and 60% population depend upon agriculture. This proportion in England 2%, in America 3% and in Japan 7% respectively. The share of agricultural income in gross national income in India 23.6%, in Australia 5%, in Canada 4%, America 3% and England 2% respectively. In India 62% of total agricultural land is depending upon rain water. The technical developments cannot make because the possessed area of land is very little. So the production costs are high. The use of chemical fertilizers is very little in India. It is only 84 kg per hector in India. But it is 266 kg per hector, in China, 360 kg in Japan, 519 kg in Belgium. In India the amount of loan provided for agriculture is also very little. Loan for agricultural is provided at the rate of 15% to 16% in comparing with the loan provided for vehicles or houses at the rate of 7% to 8%. The field of watered land in India is 38%. In China 52%, Japan 62%, and in Pakistan it is 72%. Also agricultural product in India is very little. India is the first in the production of legumes, second in the production of ground nut. Rice and wheat and third in the production of tobacco. India tea, coffee, rice, wheat, sugar, tobacco, spice, cashew, sesame, oil, fruits, and vegetables, meat and fishes as well as imports legumes, milk products, cashew fruits , edible oil, chicken, seeds, etc. The country import 50-60 lacks tons of edible oil and spends about 15 thousand cores rupees on it. In India out of total produced agricultural goods 2% goods are processed. In Malaysia 80%, America and Brazil 80% Philippine 78% and in Brittan there is 70% goods are processed.

## Basis of globalization Programme:

- Foreign trade (Import and export)
- To foreign company can get license through an indigenous company to do trade on production.
- Assembling or making things from imported parts in another country.
- Companies of two countries enter joint ventures.
- Two countries enter trade.

It was imperative for all member states to sign rural agriculture treaty on first January 1995. This treaty had following condition that would be applicable from first January 2000. According to rural market approach to the treaty all non – taxable restriction have converted in to taxable restriction. According to commitments of export competition, all developed countries have to reduce export competition. The domestics help for farmers is connected with state help in the production process.

India's Agriculture Strategy with regard to international Agriculture Trade

What should be India's Strategy especially when it has lifted all types of quantitative bans on 1429 products. India should not bother about the annoyance of the developed countries like the European Union and United States of America and organize developing countries and ask for reduction of duty and subsidies in their countries. The Indian government is determined to save domestic agriculture from foreign

competition and is giving protection to it in appropriate measure decided by WTO. In April 2000 after the quantitative ban was lifted there was a marked increase in exports of ketchup, fruits, meat etc. however it forms a very small portion of the exports. And the hopes of increase exports by liberalization have proved false. No wonder the value of agriculture exports fell to 1.8 million dollars in 200-01 from 2.8 million dollars in 1999-2000.

### **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 inter-connected 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. Some states benefited from these policies of 1990 but other states like Bihar, Orissa, Chhattisgarh, Jharkhand, etc have not been able to adjust to these reforms. That is why there is no development in states nor has poverty decreased. The end result is that globalization has helped multinational companies more than the poor population of India.

### **Conclusion:**

The government should make policies that benefit all the farmers equally, especially the landless farmers and agriculture labour. The government should make all efforts to create scientific awareness among farmers so that they can withstand the international competition. There is need for technological development land reforms, use of hybrid pesticides, fertilizers and irrigation facilities. The government should try and focus on these problem areas so that can the impact of globalization is favorable for India agriculture. We cannot afford to export agriculture products at low rates so we must bend our policies according to WTO and benefit our farmers; we need to prepare a draft of strategies on the basis the strategies of developed countries.

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