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Impact of Globalization on Rural Development in India – Some Issues and Concerns

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ABSTRACT

The term globalization 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. The present paper is totally based on secondary data. This paper will give an overview of what the forces of globalization have in store for the women of India. The various impacts of globalization on the society as well on women in India were also highlighted in the paper. The data thus collected shows the status of globalization in India, the significant role played by the new economic policy in promoting the Indian Economy, Does globalization cause poverty, Why are so many people opposed to globalization and Can globalization be controlled. A large group of working women of India is in the rural and unorganized sectors. Socially the majority of Indian women is still tradition bound and is in a disadvantageous position. Since globalization is opening up the Indian economy suddenly at a very high speed, without the required economic and social policies to provide the much required safety net, women who have been involved with production in the traditional ways, have to cope with numerous problems and yet try to avail of the opportunities which an open economy promises. With this background, this paper mainly focuses on the Anthropological vision and critical reality on the impact of globalization on Indian rural women from various angles.

KEYWORDS Globalization Impact – Rural Development – Recent Development.

Introduction

Globalization is the new buzz word that has come to dominate the world since the nineties of the last century. Globalization can be simply defined as "The Expansion of Economic activities across political boundaries of native states". Globalization refers to increases the movement of finance, inputs, outputs, information and science across vast geographic areas. Globalization aims at the integration of the Domestic Economy with the Global Economy and the optimum utilization of growth potential. The process of globalization has revolutionized World Agriculture and allied sectors of are directed to improve the efficiency productivity and cost competitiveness. Globalization has brought in new opportunities to developing countries. Greater access to developed country markets and technology transfer hold out promise improved productivity and higher living standard. The negative aspect of globalization is that a great majority of developing countries remain removed from the process. Till the nineties the process of globalization of the Indian Economy was constrained by the barriers of trade and investment liberalization of trade, investment and financial flows initiated in the nineties has progressively lowered the barriers to competition and hastened the peace of globalization.

India is widely considered as one of the hot spots for the wider spread poverty and malnutrition, which shelters about one-fourths of the world's poor, although it accounts for only 17 per cent of the Global population and with only 2.4 per cent of world Geographical area. One of the widely recognized strategies recently in developing countries including in India to achieve the millennium development goal of reducing absolute poverty by half in the year 2015 is to improve rural household income by initiating necessary reforms and structural adjustments in rural sector especially in agriculture sector. The 1990's have witnessed a significant shift in the Macroeconomic Policy Environment around the globe including in India. India also acceded to the World Trade Organization agreement in order to integrate its economy with the global trade.

Under the World Trade Organization agreement major instruments of the reforms initiated in farm sector the 1990's. (a) Gradual withdrawal of the state intervention in Agricultural markets, particularly grain trading (b) reduction in tariff rate on imports of food items and reduction in price controls (c) gradual elimination of the quantitative restrictions on exports (d) encouraging the private sector participation both in output, and input trading. (e) Liberalization of food and agriculture products has allowed the dumping of highly subsidized agricultural products from North to South. These reforms are primarily aimed at (a) Improving the competitiveness of agriculture to exploit new export opportunities in the global market. (b) to encourage agricultural diversification towards high value crops thereby increasing farm income and the availability of more food grains thus augmenting food security addressing malnutrition (c) to accelerate growth in Agriculture. To ultimately eradicating poverty in the country.

Role of globalization farmers

The importance of globalization farmers in agriculture has been increasing. The share of rural females in agriculture was around 83 per cent in 2004-05 as compared to 67% among rural men, showing the importance of globalization farmers in agriculture in rural areas. Percentage of globalization farmers among marginal farmers (38.7%) is higher than that for large farmers (34.5%) in 2014-15. These proportions have increased over time. Agriculture is becoming increasingly feminized as men are migrating to rural non-farm sector. They work in "land preparation, seed selection and seed production, sowing, in applying manure, fertilizer and pesticides, weeding, transplanting, threshing, winnowing and harvesting etc as well as in animal husbandry and dairying, fish processing, collection of non timber forest produces (NTFPs), back yard poultry, and collection of fuel wood, fodder and other products for family needs" (GOI, 2014). Despite their importance, globalization farmers are continually denied their property rights and access to other productive resources. Protecting globalization farmers' rights in land, enhancing infrastructure support to globalization farmers, and giving legal support on

existing laws, will facilitate recognition for globalization farmers as farmers and enable them to access credit, inputs, and marketing outlets.

Social Groups

The proportion of socially disadvantaged groups such as Scheduled Castes (SCs) and Scheduled Tribes (STs) is higher among marginal and globalization farmers than that of medium and large farmers. Around 22% of semi-marginal and marginal farmers are from SCs compared to 7.8% in medium and large farmers. SCs have more than half of their holdings of less than half a hectare. Similarly, 15.6% of globalization farmers belong to STs compared to 14.9% among medium and large farmers. The distribution of land ownership among STs is better than SCs. However, the quality of STs land is probably of the lowest quality. Social identity of farmers is also seen to mediate access to economic resources and outcomes. Even after accounting for quantity and quality of land owned by socially deprived classes, their access to information, marketing, credit and publicly provided inputs and extension services are lower. This shows that they possibly suffer from discrimination in the delivery of public services as well as market (NCEUS, 2014).

Globalization challenges

Increasing globalization has added to the problems faced by the globalization holding agriculture. The policies of huge subsidies and protection policies by developed countries have negative effects on globalization holding farmers in developing countries. If support is not given to globalization farms, globalization may become advantageous for large farms. There has been adverse impact of trade liberalization on the agricultural economy of the region's growing crops such as plantation, cotton and oil seeds in which foreign trade is important. With liberalization, the issue of efficiency has become highly relevant as domestic production has to compete with products of other countries. In the recent years domestic prices of several agricultural commodities have turned higher than international prices. India is not able to check import of a large number of commodities even at high tariff. This is true not only in the case of import from developed countries where agriculture is highly subsidized but also in the case of products from developing countries. India is facing severe import competition in the case of items like palm oil from Malaysia and Indonesia, spices from Vietnam, China and Indonesia, tea from Sri Lanka and rice from Thailand and Vietnam (Planning Commission, 2014). To compete in the global market, the country needs to reduce various post- harvest costs and undertake suitable reforms to improve efficiency of domestic markets and delivery systems. To be able to successfully compete in a liberalized trade regime, therefore, there is need for a paradigm shift from merely maximizing growth to achieving efficient growth. For farmers, perhaps the single most adverse effect has been the combination of low prices and output volatility for cash crops. The effect of volatility in international prices on domestic agriculture should be checked by aligning tariffs with the changing price situation.

Impact of climate change

Climate change is a major challenge for agriculture, food security and rural livelihoods for millions of people including the poor in India. Adverse impact will be more on globalization holding farmers. Climate change is expected to have adverse impact on the living conditions of farmers, fishers and forest-dependent people who are already vulnerable and food insecure. Rural communities, particularly those living in fragile environments, face an immediate and ever-growing risk of increased crop failure, loss of livestock, and reduced availability of marine, aquaculture and forest products. They would have adverse effects on food security and livelihoods of globalization farmers in particular. In order to have climate change sensitive and pro-poor policies, there is a need to focus on globalization farmers. Agriculture adaptation and mitigation could provide benefits for globalization farmers. The coping strategies would be useful to have long term adaptation strategies. There is a significant potential for globalization farmers to sequester soil carbon if appropriate policy reforms are implemented. The importance of collective action in climate change adaptation and mitigation is recognized. Research and practice have shown that collective action institutions are very important for technology transfer in agriculture and natural resource management among globalization holders and resource dependent communities.

Water problems

Water is the leading input in agriculture. Development of irrigation and water management are crucial for raising levels of living in rural areas. Agriculture has to compete for water with urbanization, drinking water and industrialization. As mentioned above, globalization holding agriculture depend more on ground water compared to large farmers who has more access on canal water. Ground water is depleting in many areas of India. Marginal and globalization farmers are going to face more problems regarding water in future. Therefore, water management is going to be crucial for these farmers (more on this below).

Table No 1
Table Showing the Average size of Land Holdings

State /UT	Marginal	Small	Semi Medium	Medium	Large	All holdings
1	2	3	4	5	6	7
Andhra Pradesh	0.44	1.42	2.67	5.70	16.34	1.25
Arunachal Pradesh	0.50	1.32	2.66	5.77	16.13	3.69
Assam	0.39	1.30	2.73	5.22	53.02	1.15
Bihar	0.30	1.21	2.62	5.24	15.50	0.58
Chhattisgarh	0.44	1.42	2.70	5.76	16.49	1.60
Goa	0.32	1.26	2.56	5.64	23.77	0.84
Gujarat	0.53	1.46	2.78	5.80	16.91	2.33
Haryana	0.45	1.43	2.81	5.9	16.48	2.32
Himachal Pradesh	0.41	1.40	2.71	5.69	15.91	1.07
Jammu & Kashmir	0.37	1.40	2.66	5.39	21.13	0.67
Karnataka	0.46	1.44	2.72	5.83	14.83	1.74
Kerala	0.14	1.32	2.52	5.29	40.93	0.24
Madhya Pradesh	0.49	1.45	2.77	5.94	15.50	2.22
Maharashtra	0.50	1.42	2.69	5.64	15.38	1.66
Manipur	0.53	1.29	2.47	4.86	11.38	1.15
Meghalaya	0.55	1.45	2.58	5.41	13.12	1.30
Mizoram	0.64	1.8	2.33	4.78	13.14	1.25
Nagaland	0.52	1.19	2.55	6.20	15.83	7.28
Orissa	0.50	1.39	2.69	5.63	16.48	1.25
Punjab	0.63	1.40	2.67	5.75	15.14	4.03
Rajasthan	0.48	1.44	2.85	6.19	18.21	3.65
Sikkim	0.42	1.40	2.74	5.79	20.67	1.57
Tamil Nadu	0.37	1.40	2.72	5.68	19.48	0.89
Tripura	0.31	1.37	2.55	5.16	78.77	0.56
Uttrakhand	0.39	1.39	2.71	5.47	25.07	0.95
Utta Pradesh	0.40	1.41	2.74	5.57	15.07	0.83
West Bengal	0.51	1.59	2.77	5.12	27.89	0.83
A&N Islands	0.39	1.38	2.53	4.34	46.79	2.00
Chandigarh	0.39	1.42	2.79	5.92	12.00	1.44
Dadar & Nagar Haveli	0.52	1.2	2.75	5.78	15.95	1.48
Daman & Diu	0.29	1.37	2.63	5.86	20.25	0.59
Delhi	0.42	1.38	2.86	5.77	15.27	1.52
Lakshadweep	0.19	1.27	2.56	5.47	22.33	0.27
Pondicherry	0.29	1.42	2.74	5.69	19.50	0.70
All India	0.24	1.42	2.39	4.42	13.16	1.33

Table No. 2
Table Showing the Share of globalization and marginal farmers in land possessed and in crop output (%)

State	Share in Area (Land Possessed)	Share in output
West Bengal	83.0	86.2
Uttaranchal	81.4	46.7
Kerala	79.8	78.1
Himachal Pradesh	79.8	78.1

Orissa	73.2	72.5
Jharkhand	73.1	78.1
Assam	72.4	70.7
Bihar	67.2	69.2
Jammu and Kashmir	66.4	77.3
Uttar Pradesh	59.4	51.7
Tamil Nadu	54.4	51.7
Chhattisgarh	49.4	46.1
Andra Pradesh	47.5	46.7
Haryana	42.2	29.9
Karnataka	37.4	38.5
Madhya Pradesh	34.3	27.9
Gujarat	34.3	35.3
Maharashtra	31.7	35.2
Punjab	29.9	19.3
Rajasthan	22.6	33.2
All India	46.1	51.2

Table No 3

Table Showing the Value of output per hectare (Rs.)

State	Marginal	Small
Punjab	29448	26120
Kerala	26485	27576
Jammu & Kashmir	26774	24768
West Bengal	21065	20429
Assam	18484	17370
Haryana	17769	16872
Uttarpradesh	15405	12694
Andhra Pradesh	14777	14489
Uttar Pradesh	14442	14441
Himachal Pradesh	12680	17650
Tamil Nadu	15629	11353
Bihar	14230	13184
Jharkhand	14275	12457
Maharashtra	13212	11350
Karnataka	11727	12178
Gujarat	12001	11656
Chhattisgarh	8612	8128
Madhya Pradesh	8543	7546
Orissa	7207	6374
Rajasthan	7177	5629
All India	14574	13001

Table No 4

Table Showing the Percentage distribution of outstanding loans by formal and informal sources across size classes of land in selected States :2014

State	<0.01	.01-0.40	0.40-1.00	1.01-2.00	2.01-4.00	4.01-10.00	10.00+	All sizes
State	Formal sources							
AP	16.9	19.3	25.1	26.1	41.5	48.6	49.5	31.4
Bihar	36.5	20.8	47	66.16	63.4	19.6	70.1	39.2
Maharashtra	58.3	83.2	80.2	78.8	83.8	88.7	91.1	83.8
Orissa	64.7	62.4	77.1	72.1	88.4	96.9	13.2	74.8
Punjab	24.8	29.2	65.6	49.1	61.2	47.5	30.1	47.9
Tamil Nadu	19.1	37.4	46.0	61.5	65.2	74.3	82.9	53.4
All India	22.6	43.3	52.8	57.6	65.1	68.8	67.6	57.7
Informal sources								
AP	83.2	80.9	75	73.4	58.4	51.1	50.5	68.5
Bihar	63.5	79.2	53.	33.8	36.6	80.4	29.9	58.5
Maharashtra	41.6	16.8	19.8	21.1	16.2	11.3	8.9	16.2
Orissa	35.4	37.5	22.8	27.9	11.7	3.2	86.8	25.1
Punjab	75.2	71.0	34.5	50.9	38.8	52.4	70.0	52.1
Tamil Nadu	80.9	62.5	53.9	38.6	34.7	25.7	17.2	46.5
All India	77.4	56.7	47.2	42.4	34.2	31.2	32.8	42.3

Opportunities for Globalization Holding Agriculture

Inspite of above challenges, there are many technological and institutional innovations which can enable marginal and globalization farmers to raise agricultural productivity and increase incomes through diversification and high value agriculture.

Before going to technological innovations, we discuss below the policy issues under research and extension in agriculture. These are applicable to globalization and marginal farmers.

Research and Extension

The yield growth for many crops has declined in the 1990s. Technology plays an important role in improving the yields. The National Commission on Farmers also indicates that there is a large knowledge gap between the yields in research stations and actual yields in farmers' fields. There seems to be a technology fatigue in Indian agriculture. The yield gaps given by the Planning Commission (2014) are the following.

The 2014-15 data show very large yield gaps

- Wheat: 6% (Punjab) to 84% (M.P.)
- Rice: Over 100% in Assam, Bihar, Chattisgarh and UP
- Maize: 7% (Gujarat) to 300% (Assam)
- Jowar: 13% (M.P.) to 200% (Karnataka)
- Mustard: 5% (Haryana) to 150% (Chattisgarh)
- Soybean: 7% (Rajasthan) to 185% (Karnataka)
- Sugarcane: 16% (A.P.) to 167% (M.P.)

A fresh look at the priorities of Indian agricultural research system is necessary in light of emerging prospects. There is only marginal increase in the funds for research in the recent budgets. Of course states have to take a lead in research and extension. It is known that India spends only 0.5 per cent of GDP on agricultural research as compared to more than 1 per cent by other developing countries. There is considerable potential for raising the effectiveness of these outlays by re-ordering the priorities in agricultural research and redefining the relative roles of public and private sectors in research and extension.

A review of the research and development activities of the Indian Council of Agricultural Research (ICAR) system during the first two years of the 10th Plan revealed several weaknesses. Some of their are (a) there is inadequate emphasis on the needs of rainfed areas, which account for over 60% of cultivated area; (b) crop bias with major focus on rice and wheat; (c) proliferation of programmes resulting in resources being spread thinly and lack of focus in areas of relevance and opportunity; (d) inadequate priority to emerging challenges, particularly post-harvest, marketing and environmental conservation; (e) the multiplicity of institutes with overlapping mandates has led to duplication of research work; (f) lack of accountability, less emphasis on multidisciplinary research, weak interaction among researchers, extension workers and farmers and the private sector and, excessive centralization of planning and monitoring. A thorough reform of ICAR system is needed to address these weaknesses.

Conclusion

Regarding extension, the existing Training and Visit (T and V) system of extension is top-down in its approach and there is little participation by the farmers. There is a need to take corrective steps to deal with the near collapse of the extension system in most states. In the absence of public provision of such services, the resource poor and gullible farmers are becoming the victims of exploitation by the unscrupulous traders and money lenders interested in selling inputs such as seeds, fertilizers and pesticides. There is, therefore, an immediate need for reforming and revitalizing the existing agricultural extension system in the country. The main ingredient of reforms should be : (a) active involvement of farmers through user groups/associations; (b) participation by the private sector and the NGOs; (c) increasing use of media and information technology including cyber kiosks to disseminate the knowledge on new agricultural practices and the information on output and input prices; and (d) building gender concerns into the system, for example, by manning the extension services predominantly by globalization farmers.

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