



Globalisation , Consequences and Evidences

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ABSTRACT

Globalisation has covered a long history by this time and ostensibly produced a lot more literature over the same time period. A lot of discussion forwarded from different perspectives parting individual ideology. The present author has developed a globalisation model comprising analysis of its impact of globalisation on experiencing relative deprivation by the poor section of the society and the developmental attitude of common citizens in developing societies in India. The purpose of the present paper is to make a survey of evidences in substantiating the assumptions of the said model. It is revealed above that globalisation is inevitable and good also for larger benefits at the global level , but there are definite externalities associated with it which needs to be attended by the policy makers and civil society policies in this regard. The model of globalisation developed by this author highlighting possibility of relative sense of deprivation and the need of public intervention in this matter through proper channel is validated by other studies bringing empirical support to the model.

KEYWORDS

Globalisation, Relative Deprivation, Globalisation Model, Stress Buffering

1. Introduction:

Globalisation has covered a long history by this time and ostensibly produced a lot more literature over the same time period. A lot of discussion forwarded from different perspectives parting individual ideology. The present author has developed a globalisation model comprising analysis of its impact of globalisation on experiencing relative deprivation by the poor section of the society and the developmental attitude of common citizens in developing societies in India. The purpose of the present paper is to make a survey of evidences in substantiating the assumptions of the said model.

2. The Model:

DEFINITION AND FORMULATION

(A) CONSUMPTION SET A set of all possible goods, services and externalities both public and private, at the same time both positive and negative externalities, available in an economy – say, India- at a particular point of time. ACADEMICIA Volume 1, Issue 3 (December, 2011) ISSN 2249-7137 South Asian Academic Research Journals <http://www.saarj.com> 42

(B) PREFERENCE SET Complete choice of set of different class of consumers under socio-economic stimulations they are constantly exposed to carrying-out their choice set(s). **(C) CAPABILITY SET** The capability set of a person corresponds to the freedom that a person has to lead one kind of life to another. (Sen, 1985; Gohen, 1997).

Now, we turn to formulation part – **FORMULATIONS** Taking into consideration the above three concepts and their corresponding definitions, we are in a position to formulate the issue in a set form. Let, $C = \{x/x \in GPVT, GPUB, SPVT, SPUB, E+, E-\} = C\{YH, \dot{Y}H, YO, \dot{Y}O, WH, \dot{W}H, ZIJ \dots(1)$ Where; C represents - Consumption set GPVT - Pravate goods GPUB - Public goods SPVT - Private services SPUB - Public services E(+)- Positive externalities E(-)- Negative externalities C - Function YH - GDP $\dot{Y}H$ - Growth rate of GDP YO - GDP of the world $\dot{Y}O$ - Growth rate of the GDP of the world $\dot{W}H$ - Growth rate of the wealth in addition to the already existing stock. WH - Wealth of the country ZI - Consumer class ACADEMICIA Volume 1, Issue 3 (December, 2011) ISSN 2249-7137 South Asian Academic Research Journals <http://www.saarj.com> 43 i - ith class j - jth number Let, $P = \{x / x \in (B \subset P (C))\} = P (ED, HL, IF, KN) \dots(2)$ Where, P represents preference set B - Subset of P (C) P (C) - Power Set of the consumption set ED - Educational attainment HL - Health composition IF - Exposure to Informations KN - Availability & exposure to communica-

tions p - function Now we first take the help of set operations to move our analysis further – $N [P \cap C \neq \{ \}] Z_{ij} \equiv$ Expected standard of living (3) $n [P \cap C \neq \{ \}] Z_{ij} \equiv$ Attained standard of living(4) And, $n \leq N$, where N & n represents number of head counts in 4(a).

Now we can derive from the definition of Capability set and the formulations (3) and (4) that \cap (\equiv intersection) is the capability and „{ }” is the outcome of capability or the capability effect. We also know from the development economics and specially the Sen Index, that measures Human Development Index (HDI), clearly states that Capability is supplied by (Y, ED & HL). So, we accept it as capability supply function. Thus, we have, $\cap = \cap (Y, ED \& HL) \dots\dots\dots(5)$ Where, \cap represents Capability set When, $\cap = \{ x / x \text{ is human abilities}\}_{zij}$ ACADEMICIA Volume 1, Issue 3 (December, 2011) ISSN 2249-7137 South Asian Academic Research Journals <http://www.saarj.com> 44 Further, we know as well that preferences set (P) is not homogeneous rather subsequently heterogeneous in its composition. Symbolically we can represent the situation like this – $Pz1j \not\subset Pz12 \dots\dots\dots \emptyset Pz1n \dots\dots\dots(6)$ $Pz1j \not\subset Pz2j \dots\dots\dots \emptyset Pznj \dots\dots\dots(7)$ Where, O represents Homogeneity, and $\emptyset \equiv$ lack of absence of Homogeneity. Here, we should elaborate the idea of class which denotes composition inform of age, gender, ($\equiv Z_i$) where $i = 1, 2 \dots\dots\dots N$ In the same way, capability set (\cap) is also non-homogenous that means – $\cap Z_{i1} \not\subset \cap Z_{i2} \dots\dots\dots \emptyset \cap Z_{in} \dots\dots\dots(8) \equiv$ Intra-class heterogeneity and $\cap Z_{1j} \not\subset \cap Z_{2j} \dots\dots\dots \emptyset \cap Z_{nj} \dots\dots\dots(9) \equiv$ Inter-class heterogeneity Once the globalization process takes place over performance set, consumption set and capability set, all exposed to the world economy and the effects. This or these effect(s) is (are) more speedy & firm in their entry into the preference set than capability set. Consumption set comes in the middle on this scale. The proposition made above is not very difficult to invite as we know that preference set represents our desire set which is quite internal thing in our mental-emotional vector space and at the same time more prone to contagion effects coming from cross-cultural material stimulation in the process of integration of the home market / society with overseas market / society with respect to two other sets. These characteristics shows that our preference set becomes or trends to become more homogenous and hyped for the reasons stated above but the capacity of the consumers at large to copy the capability set of others internal or overseas sets is at best very much limited. It is necessary to mention here that this limit has two dimen-

sion of its own – one qualitative and other quantitative including rate of adaptability. Now we can derive from (6) & (7) that

$$Pz1 \emptyset Pz2 \dots\dots\dots \emptyset Pzin \text{ Trends to change and start reaching } Pz1j \emptyset Pz2j \dots\dots\dots \emptyset Pz nj$$

$Pz1 \checkmark Pz2n \dots\dots\dots \checkmark Pzin$ & $Pz1 \checkmark Pz2i \dots\dots \checkmark Pzni \dots\dots$ (10) ACADEMICIA Volume 1, Issue 3 (December, 2011) ISSN 2249-7137 South Asian Academic Research Journals <http://www.saarj.com> 45 Where \checkmark represents approximating tendency to Homogeneity. From the same set of logic and reasons, well stated before, this is also true to say that expressions (8) and (9) remains the same or almost same due to their low capacity of adaptability of exogenous stimulations coming up in the integration process through (9) will be more pronounced than (8). Now if we join the tow proposals above, we have to change the expression 4(a) in this way – From $n \leq N$ to $n < N$ (10 a) Thus, $n[P \cap C \neq \{ \}] zij \times [N[P \cap C \neq \{ \}]] - 1zij < 1$ (11) can be derived from (10a). Here we have to highlight the Zij to make the expression (11) more pronounced in the present discussion. When we analyze the expression (11) in context of the expressions (8), (9) & (10), we can reproduce the expression (11) in a more classified form and this will throw more light on the issue under study. That is – $[n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1zij < 1] > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1zij2 < 1] \dots\dots\dots > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1zin < 1] \dots\dots\dots > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1z1j < 1] > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1z2j < 1] \dots\dots\dots > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1znj < 1] \dots\dots\dots > [n[P \cap C \neq \{ \}] \times [N[P \cap C \neq \{ \}]] - 1znj < 1] \dots\dots\dots (13)$

Now we have luxury to see the expression (11) in the light of expressions (12) and (13), this concludes very substantially the greater uneven distribution of achievement quotient among the classes in a given population set or among the individual members is a given class set (see, expression (3) & (4) together in quotient form). This shows greater sum of total frustration in the economy regarding achievement quotient. Globalization theorist defends and advocates the integration of the different individual economies to the world economy, specially the weaker economies on the ground that this will increase efficiency, effectiveness and competitiveness inside the home economy and the enhanced efficiency and accountability will push the growth and this growth will fund both the government and the private sector to include and finance their development agenda further. But let us assume the supply function of governance and its constraints under which we have to maximize the supply of governance (government services to the economy) Say, $46 G = g(.) + \lambda 1$ (Fiscal position) + $\lambda 2$ (Political arithmetic) + $\lambda 3$ (Administrative capabilities) (14) Where, G represents Governance; $G(.)$ □ unspecified function of Governance, $\lambda 1 =$ Lagrangian Multiplier. We have implicit assumption here which should be well stated before we go further into this discussion in that demand for $[G = g(.)] + \lambda 1$ is very high in developing economies and specially one which has a big population. Here big means big in terms of absolute number. Globalizers prescription is thus target $\lambda 1(.)$ & $\lambda 3(.)$ as their capacity variables and claims that by globalization along with liberalization & privatization of the internal economy will reduce burden on these two constraints and at the same time comfort the $\lambda 1(.)$ position through economic growth and also inflict more accountable $\lambda 3(.)$. But the problem lies elsewhere in $\lambda 2(.)$. As a matter of fact $\lambda 2(.)$ is nothing but reflection of preference set of an economy and $\lambda 2(.)$ directs $\lambda 1(.)$ and $\lambda 3(.)$. whatever the improvements we claim in $\lambda 1(.)$ & $\lambda 3(.)$, the complex political arithmetic in tune with preference set will not be able to deliver in accordance with realities of the capability set. A distorted preference set under LPG effect direct government to act differently from what is actually required to properly handle the expressions (12) and (13). This becomes more prominent when absolute N is high and is also N heavily heterogeneous, clustered and complex lot in the political, economic domain. This situation is both a challenge as well as opportunity for us and the planners. It is definitely a challenge as we have already put it above that due to political compulsions there are less chances that government is fully capable

and motivated to streamline the regressive attitude mixed up with social preference set. In the case of opportunity the same preference set, though inflated one, represents stored energy that can be used for social and economic capital formation. But for that we have to first go for capability set improvements that would not only streamline preference set but help reducing social and economic tension of the citizens. This in turn will minimize the complications of fast spreading globalization. The tentative solution for the same would be like this: $N [P \cap C \neq \{ \}] Zij \equiv$ Expected standard of living $(1 - \Omega) \dots\dots\dots (15)$

$n [P \cap C \neq \{ \}] Zij \equiv$ Attained standard of living $(1 + \Omega)$, where $\Omega = \Omega (Y, ED \& HL)$ and Ω represents Capability set $\Omega = \{ x / x$ is human abilities $\} zij \dots\dots\dots (16)$

And, $n \leq N$, where N & n represents number of head counts. Which will result into $n[P \cap C \neq \{ \}] zij \times [N[P \cap C \neq \{ \}]] - 1zij \approx 1 \dots\dots\dots (17)$

This highlight the importance of human development initiatives by formal and informal sector of the society and economy besides the government efforts. It is true in the sense that when expectations generated by the globalization wave is also supported by increasing human capabilities actually results into successful attainment of preferences and expectations and this creates self motivated drive for attaining more and building capabilities as well. Otherwise, ACADEMICIA Volume 1, Issue 3 (December, 2011) ISSN 2249-7137 South Asian Academic Research Journals <http://www.saarj.com> 47

series of unfulfilled expectations not only creates socio-psychological stress but also to participate in capability building efforts from within or supported by the government or non government agencies.

3. Evidences

1. Carl Walker in his book on globalisation and depression writes that,
2. Those who are living in poverty were disadvantaged not only by their existing state of grim despair but their inability to access the cure beamed into their front room everyday on television, mobile phones and internet.
3. Over spending and over extended credit and economic anxiety promulgated by advertising push trouble both the group distinguished by discriminating income inequality. One by over stretching another by dissatisfaction relative distance on capacity to spend.
4. The feeling of constantly dissatisfied ,devalued and isolated and discontented came to dominate common people lives.
5. While economic growth is accompanied by greater inequality, it is also falls into disproportionate distribution among the wealthier class as well that leads to growing secular disappointments and disillusionment.
6. Where happiness and contentedness are represented by purchase of consumer objects, as these objects are out of reach, ability to lead happy life become difficult. It happens in UK and USA and among the children for their vulnerability due to immaturity to handle conflicts out of limiting income or relative income inequality.
7. In another study by Roberto De Vogli, it is reported that,
8. Research shows that globalisation may negatively affect physiological and psychological health of these population those who are more sensitive towards rapid changes brought by it.
9. It also highlights the negative effects of globalisation on stress buffering mechanism at societal level(depressors like social stratification, inequality and comparative distance between capability ,command and aspirations of the exposed population to world of media and communications).
10. There is substantial evidence that drastic changes such as rapid liberalisation, privatisation, uncertainty in employment market are drain on tolerance of those who have limited capacity to cope up is limited

11. It causes social, cultural and economic uncertainty
12. In yet other research by Mandalina points out that
13. Imported culture can easily supplant the local culture and it causes loss of identity faster than new identity emerge in the society importing the same
14. It promotes immigration which adds value to the business class in form of cheap labour ,however it is competition for the domestic labour and other social and health hazards.
15. It brings emergence of pop culture
16. Consumption spree become rampant and rooted in the mind of consumer and without the knowledge of others. It motivates over spending, consumption at the cost of rising prices which adds further burden on less fortunate in the society and bring stress among the affluent from growing debt level.
17. Local food and cookery loss its charm including love for cooking in the families which is a bonding ties in the family and society.

4.CONCLUSION:

It is revealed above that globalisation is inevitable and good also for larger benefits at the global level , but there are definite externalities associated with it which needs to be attended by the policy makers and civil society policies in this regard. The model of globalisation developed by this author highlighting possibility of relative sense of deprivation and the need of public intervention in this matter through proper channel is validated by other studies bringing empirical support to the model.

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