



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 5.2  
IJAR 2017; 3(3): 617-622  
www.allresearchjournal.com  
Received: 06-01-2017  
Accepted: 07-02-2017

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## Globalisation impact on Indian economy and culture

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### Abstract

This is the integration of economies, industries, markets, cultures and policy-making around the world. Globalisation describes a process by which national and regional economies, societies, and cultures have become integrated through the global network of trade, communication, immigration and transportation. In the more recent past, globalisation was often primarily focused on the economic side of the world, such as trade, foreign direct investment and international capital flows, more recently the term has been expanded to include a broader range of areas and activities such as culture, media, technology, socio-cultural, political, and even biological factors. It is a process of interaction between people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity and on human physical well being as well.

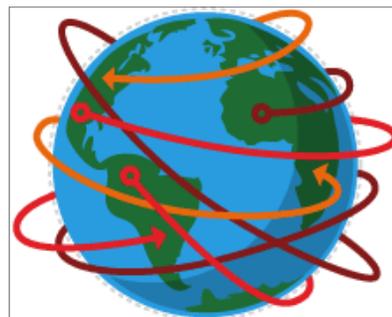
Globalization has both positive and negative impacts throughout the globe. Right from the environmental challenges from the climatic influence, the air, water soil pollution etc., to the cyber crime; globalization has a huge contribution to all the ill effects of scientific advancements. May it be business, trade, and work exposure or the economic and financial status of the country, no field is left behind the reach of globalization.

**Keywords:** Impact on Indian economy, reforms to be undertaken, cultural impact, advantages and disadvantages

### Introduction

Globalization has a wide role to play worldwide. It has left back its footprints at every sphere of life. Not only in India, but the interchange of world views and ideas has resulted in a major transformation of the lifestyle and living standard of people globally. Indian culture is no bar to this transformation process. Our deep rooted traditions and customs have loosened up their hold with the emergence of globalization. India has a rich cultural background and pride of its culture is famous throughout the world. Globalization has not only inculcated the westernization in India, but conversely the Indian culture has also spread its impact globally. Culture and traditions of any geographic region hold a special significance with respect to its uniqueness and that is the differentiating factor for a population within a geographic boundary from the other. This uniqueness has been disturbed to the varying degrees in lieu of globalization. Such an impact is very much pronounced when they hit a developing country like India.

### Globalisation



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The term 'Globalization' is itself self-explanatory. It is an international platform for maintaining evenness in the living mode of the people all over the world. Globalization is the resultant of the interchange of worldly views, opinions and the various aspects of the culture everywhere around the world. This is the means for providing the international arena for intermingling of people from different sectors, culture and dialects and learns to move and approach socially without hurting and affecting each others' prestige. Globalization initiated with the masses travelling to other geographic areas for exploration, then with the interest of travel and enjoying the personal space, then came the era of searching employment opportunities anywhere on the globe to win the contest of 'survival of the fittest'. With the advancement of human approach, the globalization started on rooting its footprints at every place. In today's era the various means of telecommunication, social media, and most importantly the Internet has a big role to play in the spread of globalization.

### India's problem with globalisation



- Some section of people in India, basically poor and very poor, tribal groups, they did not feel the heat of globalization at all. They remain poor & poorest as they were.
- Increased gap between rich and poor fuels potential terrorist reaction.
- Ethical responsibility of business has been diminished.
- Youth group of India leaving their studies very early and joining Call centers to earn easy money thereby losing their social life after getting habituated with monotonous work.
- High growth but there is a problem of unemployment.
- Multi-party rule, hence political ideology intervenes globalization.
- Price hike of every daily usable commodities

### Impact of globalizations on Indian economy

Due to globalization, in Indian economy it affect not only agricultural production but also employment opportunities in the rural parts, inequality between urban & rural areas. Globalization is conceived as a powerful transformative force responsible for a massive shakeout of nations, economies, international institutions & the whole world order. Thus, we can say that the higher the level of international corporations/transactions, the higher will be economic growth, income level & living standards the globalization process would bring. Globalisation has brought many jobs & large sums of investment to India. India's economy has been growing at exceptional rates for

the past several years & many new opportunities have opened up for India. Yet, India does remain quite poor. Most of those who profit from globalization in India are the upper classes, with many in the lower classes being displaced & suffering from miserable labor conditions. Globalization has created a large economic boom for India with largely positive effects. At the present, we can also say about the tale of two Indians. We have the best of times; we have the worst of times. Globalization of financial markets has far outpaced the integration of product markets. If there is sparkling prosperity, there is stinking poverty. We have dazzling five star hotels side by side with darkened ill-starred hovels. We have everything by globalization and we have nothing by globalization.



Globalization is the name for the process of increasing the connectivity and interdependence of the world's market, and businesses. This process has speeded up dramatically in the last two decades as technological advances make it easier for people to travel, communicate, and do business internationally.

Globalization has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport. The government of India made changes 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 took place on a major scale.

The various beneficial effects of globalization in Indian Industry are that it brought in huge amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As huge amounts of foreign direct investments were coming to the Indian Industry, 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 provide employment to many people in the country. This helped reduce the level of unemployment and poverty in the country. Also the benefit of the Effects of Globalization on Indian Industry are that the foreign companies brought in highly advanced technology with them and this helped to make the Indian Industry more technologically advanced. Since 1991, India has witnessed an explosion of new media. Between 1990 and 1999, access to television grew from 10% of the urban population to 75% of the urban population. Cable television and foreign movies became widely available for the first time.

### **Indian Agriculture**

Indian farmers are offered no subsidies compared to the US Farmers. There has been no encouragement from the government to ensure foreign companies to set up technologies for the farmer's assistance. The US Farmers has opened the market for textile & China has already set up factories & started production where in India hasn't woken up. On the other side of the medal, there is along list of the worst of the time, the foremost casualty being the agriculture sector. Agriculture has been & still remains the backbone of the Indian economy. It plays a vital role not only in providing food & nutrition to the people, but also in the supply of raw materials to industries & to export trade. The financial capital of India & the political of India are set to become the topmost slum cities of the world.

### **Gross Domestic Product (GDP) Growth rate**

The Indian economy is passing through a difficult phase caused by several unfavorable domestic & external developments, Domestic O/P & DD conditions were adversely affected by poor performance in agriculture in the post two years. The rate of growth of GDP of India has been on the increase from 5.6% to 7% in the 1993-2001 periods. The sectors attracting highest FDI inflows are electrical equipment including Computer software & electronics (18 %), service sector (13%), telecommunication (10%), transportation industry (9%) etc.

### **Export & Import**

India's export & import is increasing many Indian companies have started becoming respectable players in international scenes. There are two alternative causes available. First to sell its product in the export market and

next to produce those type of commodities that the rich in India could consume like luxury goods.

### **Technologies**

IT is given special status. The reason for this is because the Indian government wants to promote it-s nation a as a technological advanced nation and in order to do this they must stimulate the IT sector. The "special status- means the sector and investors (willing to invest in the sector) will receive many benefits and incentives from the government to do so.

### **Poverty**

The government of India has shown decline in people living in absolute poverty by manipulating statistics. The "decline" happened when large number of industrial units have been closed down, number of days of work available to workers has declined, downsizing of manpower had taken place in most of the industrial undertakings and non-availability of jobs to the new entrant in employment market is witnessed. Besides, there is an all-round decline of prices of agricultural products, forcing farmers to suicide. In sectors like plantation and tea, workers are virtually starving. It is just not possible that people living in absolute poverty can decline in the country under these circumstances.

### **Education**

The growth of higher education and the impact of the global economies have influenced the Indian education system over the last few years. There is been so many tie-ups with abroad universities which is an added advantage to the students of India.



### **Areas that require reformation**

The five major areas where the co-operative global efforts on reform are to be concentrated are:

#### **Transparency**

The goal is to make timely, reliable data, plus information about economic and financial policies, practices, and decision making, readily available to financial markets and the public.

#### **Internationally Accepted Standards**

Adherence to international standards and codes of good practices helps ensure that economies function properly at the national level, which is a key prerequisite for a well-functioning international system.

#### **Financial Sector Strengthening**

Banks and other financial institutions need to improve internal practices, including risk assessment and management, and the official sector needs to upgrade

supervision and regulation of the financial sector to keep pace with the modern global economy.

#### **Involving the Private Sector**

Better involvement of the private sector in crisis prevention and resolution can limit moral hazard; strengthen market discipline by fostering better risk assessment; and improve the prospects for both debtors and creditors.

#### **Systemic Improvements: Contingent Credit Lines (CCL)**

The IMF has created a new instrument of crisis prevention with the CCL, after cautionary line of defense readily available to member countries with strong economic policies designed to prevent future balance of payments problems that might arise from international financial contagion.

## Impact on Indian culture



The culture of any country does not only portray the region and language of the region, but it starts with the mindset and mentality of the residing citizens. Indian culture is quite rich with respect to its heritage and resources, and more importantly due to the welcoming approach of its citizens. India is bouquet of flowers varying religion, dialect, edibles, tradition, custom, music, art and architecture etc., bundled into a single unit of patriotism and unity. The common factor within all these diversities is the Indian mindset of welcoming, greeting, celebrating in a united way with immense affection and togetherness. This is the rich essence of the Indian culture that has attracted many foreigners to stay back in India and mingle into its eternal fragrance. When we analyse this rich culture with the globalization point of view, we can find many punch holes of westernization and mixing of other traits and cultures into our beautifully woven blanket. Let us closely analyse the impacts of globalization on Indian culture:

### Family Structure

Let us start with the key attraction of Indian joint family culture. The joint families have become a strange surprise to the Indians especially to those residing in the metropolitan cities in the small flat culture with the nuclear families blooming up like mushrooms in the rain. We have lost the patience to get adjusted into the joint family, imbibing the values of the elders and getting the young ones brought up under the shadow of their grandparents. Children have started treating grandparents like guests or visitors, and such an upbringing is one of the main reasons of increasing old age homes, as those children consider their own parents as burden in their state of adulthood.

### Marriage Values

Similarly, marriages have also lost their values. It is very much evident from the increasing number of divorce cases and the extra-marital affairs reported every now and then. Marriage used to be considered as bonding of the souls which will be linked even after the death; but today marriage is like a professional bond or a so-called commitment to share life without compromising their self-interests. The ego factor into the Indian youth is again a product of globalization.

### Adultery

Both the genders were kept at a distance, with lot many restrictions and limitations to the approach for ages in our culture. With the emergence of globalization and western culture, youth have start mixing up well with each other. The friendly approach and the socializing feature is worth appreciable. But the total breakout of restrictions have adulterated the Indian mindset, playing up with the physical relationship. This has given birth to new relationships in India like live-in relationships. Also the increased cases of rape and sexual abuse cases are a result of the perverted mind which again the imported values very much alien to our mother culture.

### Social Values

We have the incorporated values of treating the guests as God, warm-hearted welcoming, greeting elders with due respect and a celebrating every small festival with great colour of enjoyment and togetherness. Such a wide gathering with full hue and light can hardly be seen today. People have highly restricted themselves in social interaction. The interaction in present generation is highly diplomatic considering the financial status and wealth. We have lost our social values and cheerful blessing of togetherness. The present generation is happier celebrating Valentine's Day rather than Holi and Diwali.

### Food, Clothing and Dialect

Indian food, clothing and languages are varied with respect to different states. The food varies in its taste, but every food has its own nutrient value and every region is specified and rich in its medicinal preparations with the home remedies. Even the clothing varies in different states which is very much particular in maintaining the dignity of woman. The varies cuisines from all over the world though have different flavours to add, still the food ingredients that have inflicted with much popularity are the junk food items which has increased the health disorders in the country. Again the dressings like the suiting for the males are an inappropriate match for the Indian type of climate. The female dresses are again a way of distraction to the perverted minds.

Even the Indians are not very much in favour of promoting their mother tongue or our national language. Instead the youth today consider it to be a shameful condition to speak in their national language Hindi. The way the foreign languages are getting prevalent in India like the French, German and Spanish, right from the school level, is the example of how much we provide importance to Indian languages in comparison to the foreign ones.

### Employment and the Agricultural Sector

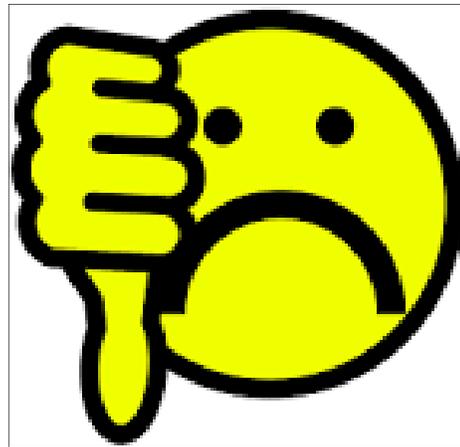
India was predominantly an agricultural based country. With the advanced globalization and cropping up of MNCs, the farming has lost its prime value in India. Agricultural science has the least focus amongst the youngsters who consider farming as a shameful profession and look down upon the same. Employments through MNCs have lucrative deals attracting the bulk of manpower that are working for the other countries as their customer care representatives. We are losing our health and our status and slowly getting to the age of economic slavery due to these MNCs. This is what the globalization has provided Indians through their emergence.

## Advantages of globalization in India



- There are numerous advantages in the shift to a global economy including the possibility to increase benefits from economies of scale.
- The breaking down of global barriers allows companies to benefit from the largest & cheapest workforces, raw material, & technology.
- Due to globalization, in many areas of the country tomato growers, potato growers & fruit growers, farmers benefited from tie-up & collaborations with ketchup, potato chips, fruit juices etc.
- Fishermen in Kerala have increased their incomes using mobile phones to find out the best markets where the prices are highest on each day.
- Lockouts & strikes have declined to insignificantly low levels because industrial labor is happy.
- Due to Globalization the business market in the world has no boundaries; they can market their products in any part of the world. This has involved the chances of laying hands on global market & technologies, which would definitely increase our qualities of living standards.
- Globalization helps Indian Entrepreneur to know more about the competitors, recent trends, Quality of products.
- Helps in sourcing new technology for improving their Brand Quality.
- Hiring competent person irrespective of the nationality.
- Good exposure of Indian brands to overseas market. Due to increase in healthy competition with other brands, Indian brands will be forced to improve their quality and services to the customer.
- It aims at increasing the production of food and improvements of the economic and social condition of farmers. It would increase efficiency of the workers. Use of seeds and heavy machines has help to increase agricultural productivity.
- It would improve animal husbandries, as it would be able to import good breed of animals from the other countries.
- Farmers will get the privilege of the international market through export agricultural products.

## Disadvantages



- Rise in demand for labor & the rise in wage rates leading to increase in costs.
- Too much competition in the market leading to continuous pressure on raising productivity enhancing consumer service, improving products quality in order to survive.
- Voluntary retirement in many public sector units.
- Too many sales person-chasing customers.
- Too many cars on the road & traffic congestion.
- Growth of consumerism.
- Shortage power & infrastructure affecting industrial expansion.
- The farmer got the exposure to global links of markets, technology & investments, beneficial in terms of involving their yields, getting better prices & secured off take. This leads to a major dissatisfaction among under developed/developing countries where they are cut off from the rest of the world. This has also increased the chances of inferiority complex among these nations.
- There is a fundamental problem with globalization, which will cause international tension & trade disputes without arresting the process.
- It may be difficult to survive for Small Scale Industries and other industries that are unable to cope up with the changes due to insufficient funds.

- Indian Talent is being attracted towards other country due to higher salary and emoluments.
- Due to heavy taxation and levies in India, end products are being costly as compared to imported brands.
- All the multinational companies MNC's are examples, such as Pepsi, Coca-Cola, IBM, general electric, Vodafone, almost all have its business all over the world. For a MNC target market is whole world itself.

### **Conclusion**

India has to concentrate on 5 important areas or things to follow to achieve this goal. The areas like technological entrepreneurship, new business opening for small & medium enterprises importance of quality management, now prospects in rural areas & privatization of financial institutions. There will be prospect growth of Indian economy very much depends upon rural participation in the global race. The rich and poor, rural and urban, service class and agriculturalists, men and women, the bi polar opposites started troubling the social development. To conclude we can call Globalization as a slow spreading risk factor that has covered almost the entire country with its severity. With some positivity of having a generalized knowledge of the culture throughout the world and the happening and incidences globally, still the major negative impacts are quite alarming for our country. Hence, we need to move very cautiously with the globalization process preserving our nation's pride and maintain our cultural prestige.

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