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STUDY OF IMPACT OF GLOBALIZATION ON INDIAN AGRICULTURE SECTOR

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**Abstract:** Globalization concept has become inextricably linked with the process of transformation, touching upon every aspect of social, political and economic development in the globe. In the social front, globalization signifies closer interaction of people and homogenization of culture and value and the world being transformed into a 'global village'. Globalization has to increase the movement of finance, inputs, outputs, information and science across vast geographic areas. In Indian context it implies opening up the economy to foreign direct investment and provide entry to Multinational corporations in India. The process of globalization has revolutionized World Agriculture and allied sectors directed to improve the efficiency productivity and cost competitiveness. Post liberalization, Indian farmers face new challenges in the form of competition from highly subsidized agriculture of developed nations. This prompts the need for making Indian agriculture successful and profitable by improving the conditions of small and marginal farmers, countering then negative effects of Green Revolution, developing and promoting organic farming, and diversifying cropping pattern from cereals to high value crops. Agriculture sector plays key role in economic development. Therefore present theoretical study analyzes the impact of globalization on Indian agriculture, the problems faced by the farmers, measures to be taken to overcome these problems and negative influence of globalization so as to improve the productivity, because 56% of the population still depends on agriculture in India, and the process of globalization cannot be reversed now. Hence, in present study attempt is made to highlight the positive and negative impacts of globalization on this important sector.

**Key words:** Globalization, Agriculture, liberalization, Green Revolution.

**Introduction:** Globalization is the process of integrating the domestic economy with world economy. Globalization is the process of integrates the domestic market with world market for international trade, finance, and goods and services. Globalization makes world as a small village. Globalization means an explanation of market from local level to worldwide level. Now the concept of a specific place for market is disappearing and the whole world is becoming a market the process of globalization is related to economical development (S. Goutam, 2014).

India opened up the economy in the early nineties following a major crisis that led by a foreign exchange crunch that dragged the economy close to defaulting on loans. The response was a slew of Domestic and external sector policy measures partly prompted by the immediate needs and partly by the demand of the multilateral organizations. The new policy regime radically pushed forward in favor of a more open and market oriented economy. Major measures initiated as a part of the liberalization and globalization strategy in the early nineties included scrapping of the industrial licensing regime, reduction in the number of areas reserved for the public sector, amendment of the monopolies and the restrictive trade practices act, start of the privatization program, reduction in tariff rates and change over to market determined exchange rates. Over the years there has been a steady liberalization of the current account transactions, more and more sectors opened up for foreign direct investments and portfolio investments facilitating entry of foreign investors in telecom, roads, ports, airports, insurance and other major sectors. (Jha S. & Yerneni V, 2012) Agriculture is the means of income of many people. 60% population of India depends upon agriculture. 27% of GDP of India gets from agriculture. 65% of labor force, and 21% of total export. India is the second in the world about population. 17.5% of the world population lives in India. India exports agricultural products such as tea, coffee, rice, wheat, sugar, vegetables; fruits, cashew nut etc. and imports milk products, cashew nut, fruits, edible oil, chicken, seeds etc. To develop the Indian economy the govt. makes new policy for agriculture sectors. Agriculture plays very important role in GDP in India. More than 60 percent peoples in India involved directly or indirectly in agriculture. For improve the agriculture sectors, the govt. makes new policy for agriculture. Govt. gives some subsidies on the agriculture products like fertilizers, seeds, pesticides (From various websites). In 2007 the government passed the policies known as SEZ – Special Economic Zone and SAZ - Special Agriculture Zone. Before 1970 the crops were different and after the 1991 due to Globalization the crops were different. In SEZ – 267 Projects were put in by Government of Maharashtra and mainly in Western Maharashtra because lands in these regions were under continuous irrigation.

**Methodology and Data Sources:** The study is based on the secondary data. The data were collected from various secondary sources such as Books, Journals, Articles and various websites.

**Technological & Cultural impact of globalization in India:** 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. Extensions of internet facilities are even to rural areas. Global food chain /restaurants have already found a huge market in the urban areas of India. Lavish Multiplex movie halls, big shopping malls and high rise residential are seen in every city. Telecommunication and Software Industries are booming in India. Entertainment sector in India has a worldwide market. Bollywood movies are distributed and accepted worldwide. Big international companies (Walt Disney, 20th Century Fox and Columbia Pictures) are investing on this sector. Famous International brands (Armani, Gucci, Nike, Omega etc.) are investing in the Indian market with the changing of fashion statement of Indians. 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 of India leaving their studies at early are joining Call-centers to earn easy money thereby losing their social life after getting habituated with monotonous work. Hence, there is high growth but problem of unemployment. Multi-party rule, hence political ideology intervenes globalization (reservation, labor law reforms). The pressure on agriculture is increasing because of the increasing population. Possession of land is small and so the production cost is higher. There is also the problem of standard etc. So there are unfavorable impact occur on Indian agriculture. Farmers are being bankrupt because of growing production expenditure, costly seeds, on the one side and reducing prices of goods on the other side. He doesn't let out of it and so he is committing suicide. This can be one of the impacts of agricultural agreement. The biggest problem Indian agriculture faces today, and the number one cause for farmers committing suicides is debt. Forcing farmers into a debt trap is soaring input costs, the plummeting price of produce, and a lack of proper credit facilities, which makes the farmers turn to private moneylenders who charge exorbitant rates of interest. In order to repay these debts, the farmers borrow again and get caught in a vicious debt trap. The need is to examine each of the causes which have led to the current crisis in Andhra Pradesh, Kerala and Maharashtra, and analyze the role that liberalization policies have played. One measure of the liberalization policy, which had an immediate adverse effect on farmers, was the devaluation of the Indian Rupee in 1991 by 25% (an explicit condition of the IMF loan). Indian crops became very cheap and attractive in the global market, and led to an export drive. Farmers were encouraged to shift from growing a mixture of traditional crops to export oriented 'cash crops' like chilli, cotton and tobacco. These need far more inputs of pesticides, fertilizers and water than the traditional crops require (B. V. Muralidhar, et al. 2011)

### **Conclusions:**

1. Globalization aims at integrating our national economy with that of the world. It is to be realized within a certain time frame. It is based on the philosophy of free and open international trade.
2. In the changed scenario, we have to make a better use of our favorable climatic and soil conditions.
3. We have relatively inexpensive, abundant human labor. Every effort will have to be made to raise their efficiency and equip them with new and advanced tools.
4. Implements and machines to enable them to compete with their counterparts in the advanced countries of the world.
5. with globalization we now have a better access to reasonably and abundant capital from different parts of the world.
6. Thus to begin with we may have to face hardships and difficulties sometimes but it will pay us in the long run.

7. In order to stand in the global competition therefore India has to use its vast potential of agriculture in a systematic and planned manner.
8. We should develop some of the techniques which the developed countries have been using.
9. Use of the biotechnology may be one such step. Creation of an unrestricted unified national market for farm products within the country may be another step.

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