

Periodic Research

Impact of Globalisation on Indian Economy



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Abstract

It is integration of the economy of the country with the world economy. India is still facing poverty due to corruption. In India Globalization commenced since 1991 which were crises driven. Globalisation is the product of the policies of liberalisation and Privatisation. The overall unemployment rate is 9.4%, and it is spilt out as 10.1% in rural areas, and 7.3% in urban areas. The Eleventh Five Year Plan strategies rapid growth in employment opportunities along with improvement in quality of employment. MGNREGA is an important step towards the realization of the right to work and to enhance the livelihood security of the households in the rural areas of the country.

Keywords: Globalisation, liberalisation, Privatisation, MGNREGA, UNCAC.

Introduction

Corruption is a termite in every system. Emergence of political elite who believe in interest oriented rather than nation-oriented programmes and policies. Corruption is caused as well as increased because of the change in the value system and ethical qualities of men who administer. The change in the values system and ethical qualities of people. India's rank on transparency International's Corruption perception Index is 87 out of 178 countries. India agreed on the terms of United Nations Convention Against Corruption (UNCAC). At the G-20 summit in Seoul which was held recently, India signed the group's anti-corruption action plan, which requires it to ratify and fully implement the anti-corruption convention. Judiciary, which is presently under great strain has to provide speedier and less expensive justice by enhancing its infrastructure and incorporating modern methods to activate the whole procedure.

Globalisation & Changing Indian Structure

The world commission on social dimension of Globalization of Globalization (2004) reveals the fact that our primary concerns are that globalization should benefit all countries and should raise the welfare of all people throughout the world. It should not increase inequalities. In India Globalization commenced since 1991 which were crises driven. A cultural value is an idea shared by the people in a society what is desirable and undesirable. The global interdependence is at present mainly,

1. The product of science & technology.
2. Largely devoid of ethical and cultural roots.

Our Country is passing through a period of crises. Common Outlook is one of the characteristics of culture. The common outlook among the people which when faced with difficulty, resistance can generate a collective will to action. Distinguishing this current wave of globalization from earlier ones, author Thomas Friedman has said that today globalization is "farther, faster, cheaper and deeper".

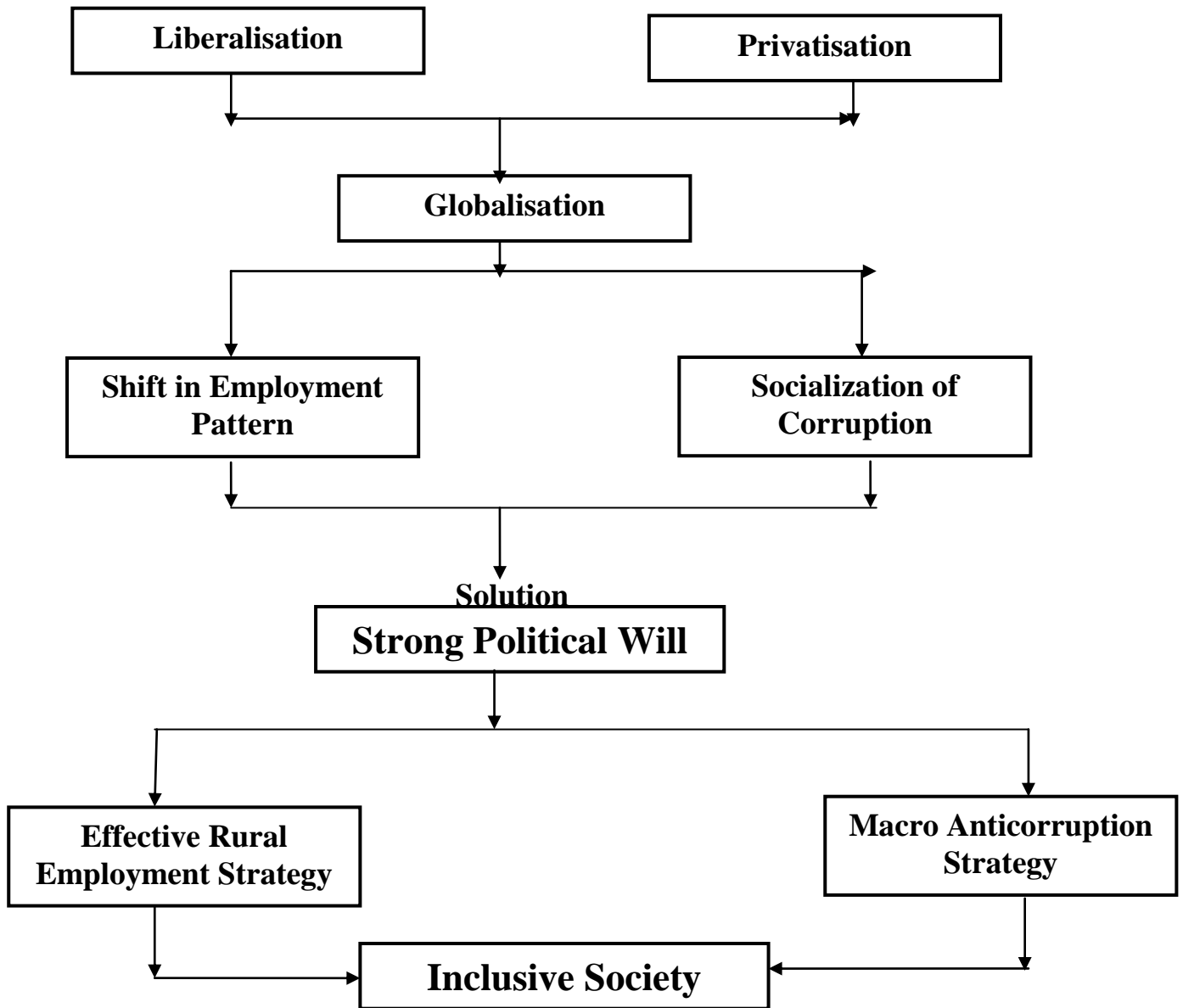
Characteristics

Basic principles for the construction of a better global order.

Three Objectives

1. Supply global public goods.
2. Correct International asymmetries.
3. Firmly establish a rights based global social agenda.

Fig. 1
Structure of Globalisation System

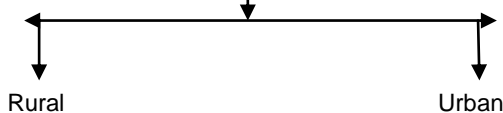


**Discussion and Analysis
Outcome of Privatisation**

Globalisation is the product of the policies of liberalisation and Privatisation. It is turning the world into a borderless world. It is a term known to all of us clearly means an illegal, immoral or unauthorized act done in due course of employment.

Shift in Employment Pattern

Population Spilt



The overall unemployment rate is 9.4%, and it is spilt out as 10.1% in rural areas, and 7.3% in urban areas. Now, a key thing to remember about unemployment rate is that it is calculated as a percentage of labour force, and not the total population.

In the Indian context, - 359 persons per 1,000 are either working or interested to work, and this is called the Labour Force Participation Rate. So, out of an estimated population of 1,182 million – 424 million persons are either employed or are interested in working. The unemployment rate of 9.4% means that out of those 359 persons per thousands or 424

million people – there are 9.4% or about 40 million who were unemployed.

Unemployment in India

For males, the unemployment rate is 8% whereas for females the unemployment rate is 14.6%. The rural unemployment rate is 10.1% and the urban unemployment rate stands at 7.3%. One thing to be noted about this inflation rate is that the report states that compared to the NSSO survey the unemployment rate is quite high, probably due to underestimation in the agriculture sector employment.

Eleventh Five-Year Plan

The Eleventh Five Year Plan strategies rapid growth in employment opportunities along with improvement in quality of employment. The employment generation strategy of the Eleventh Five Year Plan has also envisaged reduction in underemployment and a movement of surplus low wage labour in agriculture sector to higher wage and more gainful employment in the non-agricultural sector. Agriculture sector is projected to generate no additional employment during the Eleventh Plan period. Employment in manufacturing is however expected to grow at 4 percent while construction and transport & communication are expected to grow at around 8.2 percent and 7.6 percent, respectively.

The Eleventh Plan document has spelt out certain deficiencies in the skill development scenario in the country as it exists presently.

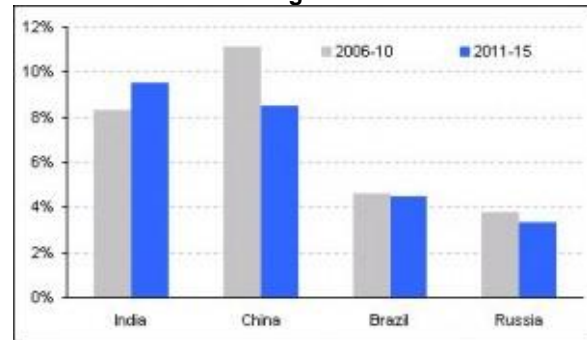
Employment and Unemployment Situation

1. The labour force participation rate is estimated to be 359 persons per 1000 in the population.
2. The worker population ratio (WPR) is estimated at 325 persons per 1000 persons.
3. As per the usual principal status, the unemployment rate in the labour force is estimated to be 9.4 percent.
4. The survey results reveal that out of 100 employed persons, 455 persons are employed in agriculture, forestry and fisheries group.
5. Within the employed population, self-employment is the dominant category. Out of 1000 persons employed, 439 persons are self-employed.
6. Among the self-employed, 572 persons out of 1000 persons are employed in agriculture, forestry & fisheries group.

Government Measures

One of the significant efforts in this direction is the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) MGNREGA is an important step towards the realization of the right to work and to enhance the livelihood security of the households in the rural areas of the country. India's government reforms, and its growing infrastructure spending, have helped create jobs, and dynamic labour market, and a vibrant private sector. Finally, globalisation has helped India tap into both the goods export market, but more importantly, the global services exports market – which India now has a 2.6 per cent share of.

Fig. 2



Socialization of Corruption

The corruption has become a major threat to India and it is deep rooted in the country. It is a term known to all of us precisely meaning an illegal, immoral or unauthorized act done in due course of employment. Corruption is a termite in every system. Once it enters the system, it keep increasing. Today it is rampant and has gradually become routine. Worldwide, bribery alone is estimated to involve over 1 trillion US dollars annually.

Main Causes of Corruption

1. Emergence of political elite who believe in interest oriented rather than nation-oriented programmes and policies.
2. Artificial scarcity created by the people with malevolent intentions wrecking the fabric of the economy.
3. Corruption is caused as well as increased because of the change in the value system and ethical qualities of men who administer. The old ideals of morality, service and honesty are regarded as an anachronism.
4. Lack of rules, regulations, transparency and accountability in public sectors.
5. Lack of articulated Code of conduct for public servants and politicians.
6. The change in the values system and ethical qualities of people. The moral and ethics have declined and most people give more importance to money than excellence.
7. Absence of strong public forum or civil society to oppose corruption.

Corruption Perception Index 2010 Assessment

There is a year on year changed of at least 0.3 points in a country's CPI Score. The Direction of this change is confirmed by more than half of the data sources evaluating that country. It scores country and a scale from 10 (very clean) 0 scores highly corrupt.

The corruption has become a major threat to our country. India's rank on transparency International's Corruption perception Index is 87 out of 178 countries.

Some of the Major Scams in 2010

1. Telecoms License Row
2. Loan Bribery Scam
3. Commonwealth Games
4. Adarsh Society Scam
5. IPL Scam
6. Citi Bank Fraud

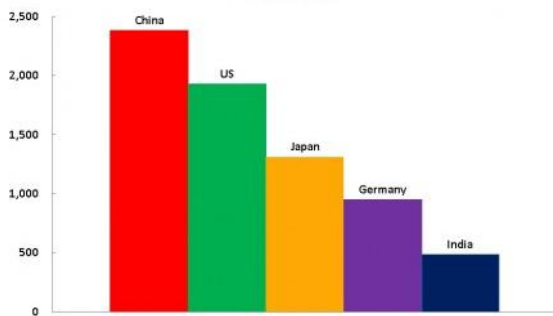
Recent Steps Taken by India Tackle Corruption

Now, the Indian government is readying a law to meet the conditions of the United Nations Convention Against Corruption (UNCAC), but independent experts say India is already in a position to ratify the agreement. The proposed law will deal with corruption and bribery in the private sector, a bill is likely to be moved in the budget session of Parliament.

At the G-20 summit in Seoul which was held recently, India signed the group's anti-corruption action plan, which requires it to ratify and fully implement the anti-corruption convention. Currently, India does not have a specific law to deal with corruption in private sector.

This paper adds data for three further major economies – Japan, Germany and India. The calculations are made in dollars at current exchange rates for the latest year for which annual data are available –The results are shown in Figure 3.

Fig. 3
Gross Savings



The G-20 summit finalized an anticorruption action plan at the Seoul Summit, which was signed by India. The G-20 countries have agreed to establish clear and effective channels for mutual legal assistance and other forms of international cooperation on corruption. The group also sought specialized expertise for asset recovery in an appropriate agency by the next year's summit which will be held in France.

Conclusion

The transition from the past to the future is difficult even dangerous and we are perhaps now at crucial point of change and mutation requiring the understanding, ingenuity and faith of all. The moral resources of humanity are required to bring about the change in the right way. Although the global economic downturn offers itself as a ready explanation, the malaise runs deeper, the inability to come up with an effective rural employment strategy. Despite industrialization, rural India remains the main employment provider. That the situation has not changed drastically in the two decades of reforms is evident from the survey results. First, it brings out the magnitude of unemployment; secondly, it turns the spotlight on the low availability of social security benefits for the Indian workforce.

Presently, they are viewed with suspicion. They have to evoke faith, not terror and have to

change their mindset to be fully accountable to generate public confidence. Judiciary, which is presently under great strain has to provide speedier and less expensive justice by enhancing its infrastructure and incorporating modern methods to activate the whole procedure. These prescriptions combined with strong and undaunted political will and long-period macro anti corruption strategy, will no doubt make India, in time to come, a less corruption-free society, and once the beginning is made, the and result would be highly rewarding.

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