



GLOBALISATION AND ITS IMPACT ON AGRICULTURE

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Abstract: Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture. Globalization is associated not only with an increasing cross border movement of goods, services, capital, technology, Information and people, but also with an organization of economic activities which straddles national boundaries. Although the globalization envisage free competition, high productivity using state of the art technology, but simultaneously it is driven by the lure of profit and the threat of competition in the market. Globalization is also being portrayed as the only solution for all type of problems related to world. Thus the process of globalization is not static, it is a super national phenomenon which transcends national frontiers.

Keywords: Globalization, Agriculture, Integration

INTRODUCTION

The Globalization is a super national phenomenon which transcends national frontiers, It is the proceed by which events, decision and activities in one part of world have significant consequences for other parts of the globe. Globalization represents closer integration of the world economy resulting from increase in trade, investment, finance and multi country production networks of MNCs. It extends beyond economic interdependence to include dilution of time and space dimension as a result of spread of information technology. Technological advancement in computing and telecommunication have reduced the distances among various functionaries and brought them closer. Thus the cost and time of transaction have reduced considerably and these will continue falling further.

The term globalization has taken centre stage now days in the face of rising competition among multinationals and low rate of return in developed countries, without taken into consideration the plight of millions of poor living in third world countries. Globalization is being portrayed as the only solution for all type of problems related to economic development of the country in general and will being of the people in particular. The process of globalization is based upon the fulfillment of the dreams of the national movement.



Globalization has opened up new and tremendous opportunities for worldwide developers. Under the influence of the process of globalization, India in 1991 introduced economic policy changes and integrated its economy to the international economy. Globalization in India arrived just before the end of the cold war. India introduced changes in industrial and trade policies to improve its efficiency, productivity and competitiveness of its economy. Besides, it also brought changes in industrial licensing, foreign collaborations, investment by NRIs, portfolio investment by foreign institutional investment, reduction in tariff rate and simplification of export-import procedures, opening of the IT-sector, reducing public expenditure investment norms to attract inflow of capital from both the domestic and foreign enterprises in sectors like banking, insurance, retailing etc.

GLOBALIZATION INVOLVES

- Fast growth of trade in goods and services
- Higher growth in international financial transactions
- Fast growth in foreign direct investment
- Deeper form of internationalization resulting from production network of multinationals
- Emergence of global markets
- Rapid diffusion of knowledge and technology globalised transport and communication network
- Changes in the thinking and modes of operation of international institutions.

Thus globalization has shrunk the world through the enmeshing bonds of new technology in the context of 'global neighborhood', 'global village' or the 'world without borders'.

Globalization is the process of merging of different countries and accomplishments through advanced foreign trade and foreign investment. Globalization also refers to increased possibilities for actions happenings between and among people in situations where latitudinal and longitudinal position seems unimportant. Region is the sense of a traditional sense of a geographically identifiable location no longer constitutes the whole of social space in which human activity takes places. In the term, globalization refers to the broadening of new forms of non-regional social activity (Ruggie, 1993; Scholte, 2000).

Globalization refers to a lay down of processes that increasingly make the parts of the world interdependently incorporated. It is a historical process, and the result is the human



innovation and the technological progress. It refers to increasing integration of economies around the world, particularly through trade and financial flows. (Robert and Hite page 16).

The globalization of trade in the agricultural sector is perhaps proving to be a big blunder. The farmers will have to pay a very heavy price, for better variety of imported seeds having resistance to diseases, because of the patent rights imposed by WTO.

Over and above, the Indian farmer cannot export their products to rich countries because of inferior technology and stringent quality parameters imposed by foreign consumers. The large scale suicide by Indian farmers in Karnataka, Punjab and Haryana under the burden of heavy loans is directly attributed to this.

The Indian agriculture is almost on its deathbed. The minimum cost of eatable rice is Rs.12 per kg and apples from Australia at Rs. 100 to Rs.150 per kg cannot be afforded by poor.

The current processes of Globalization of agriculture threaten to undermine all three dimensions of sustainable agriculture. They are undermining ecological security by removing all limits on the concentration of ownership of natural resources (Land, water and biodiversity) and by encouraging non-sustainable resource exploitation for short-term profits. Trade liberalization of agriculture has not been guided by the need for providing livelihood security for two thirds of India's people, who are farmers for the food security of the poorer half of Indians, or for India as a whole. Thus, the livelihood base of millions of farmers and food security at the household, regional and national level is severely threatened by the globalization of agriculture.

Agriculture is the backbone of the Indian economy and despite rapid industrialization in the last 40 years, it occupies the pride of place in the Indian economy and is often said as agricultural economy. Agriculture provides employment to about 66 percent of our working population. It contributes nearly 30 percent of the national income of the country.

The new economic policy being implemented since mid 1991 has progressively started posing new challenges in all sectors of the economy and is also opening up new vistas in the global markets. Agriculture cannot remain insulated from the ongoing economic reform process as the indirect impact of liberalization of the economy in general on agriculture may turn out to be far more important than the possible impact of the liberalization measures directly affecting this sector. The presumption that the liberalization of the liberalization of



the economy would result in higher investment and growth in agriculture induced by favorable terms of trade for the agriculture sector these challenges come primarily amidst :

- Opening up of the economy to the influences of global markets through more free imports and exports of goods and services.
- Entry of multinational companies and corporation in agro-based processing industry and input supplies, contract production for processing for domestic and export markets, and
- Pressures for improvement of quality of production so that the products become competitive in the global markets.

Impact of globalization on Indian agriculture are as -

1) Use of new technologies

Increased use of various technologies such as pesticides, herbicides, and fertilizers as well as new breeds of high yield crops were employed to increase food production. These technologies included modern implementations in irrigation projects, pesticides, synthetic nitrogen fertilizer and improved crop varieties developed through the conventional, science-based methods available at the time. Use of High Yielding Varieties (HYVs) like IR8 a semi-dwarf rice variety, dubbed as "Miracle Rice". IR8 was also developed into Semi-dwarf IR36. HYVs significantly outperformed traditional varieties in the presence of adequate irrigation, pesticides, and fertilizers.

2) Increase in agricultural production and productivity

The green revolution had many effects on Indian economy. Due to adoption of HYV technology the production of food grains increased considerably in the country. The production of wheat has increased from 8.8 million tones in 1965-66 to 184 million tones in 1991-92. The productivity of other food grains has increased considerably. It was 71% in case of cereals, 104% for wheat and 52% for paddy over the period 1965-66 and 1989-90.

Though the food grain production has increased considerably but the green revolution has no impact on coarse cereals, pulses and few cash crops. In short the gains of green revolution have not been shared equally by all the crops.

3) Increase in National Income

Receiving the international market for the agricultural goods of India, there is an increase in farmer's agricultural product. New technology, new seeds, new agriculture practices etc.



helped to grow the agricultural product. From the monetary point of view the share of agriculture sector in the economy is at 14.2% of the GDP (2010-11).

4) Increase in Employments

While exporting agricultural products it is necessary to classify the products, its standardization and processing, packing etc. The industries depending on agriculture are stored and it made an increase in employments. Agriculture is the biggest unorganized sector of the Indian economy accounting for more than 90% share in the total unorganized labour force. The share of agriculture in total employment stands at 52.1%

5) Agriculture as a prime moving force

Agriculture is deeply related to industrial growth and national income in India. 1% increase in the agricultural growth leads to 0.5% increase in the industrial output and 0.7% increase in the national income in India. As a result, the government of India announced agriculture as the prime moving force of the Indian economy in 2002.

6) Increase in the share in trade

Because of the conditions of WTO all of the countries get the same opportunities so there is an increase in the export of agricultural products. According to data provided by WB, India's share in exports (goods and services) rose from 0.54% in 1990 to 0.67% in 1999. Indian exports rose by 103% during the same period.

7) Increase in the export of agricultural goods

The prices of agricultural goods are higher in the international market than Indian markets. If the developed countries reduced grants, they have to increase in the prices. So there will be increase in the export in Indian market and if the prices grow, there will be profit. Agricultural products account for 10.23% of the total export income of the economy, while agricultural imports account for just 2.74% of the total imports.

8) Reduction in poverty

It is also true that globalization is commonly characterized as increasing the gap between the rich and the poor, but it is a matter of looking at poverty in relative terms. India's prior concern is of absolute poverty, which is worse than death, and if India makes efforts, globalization can be a key to get rid of it. Moreover, the percentage of people below the poverty line has been decreasing progressively, from 36 percent in 1993-94 to 26 percent in 1999-2000.



CONCLUSION

The globalization process in the economy offers an opportunity to correct the 'anti-agriculture' bias in Indian Trade Policies that have been in existence since 1950s. With this, the hidden 'implicit taxation' on agriculture sector would get an opportunity to respond favorably to these signals. India, which has significant technical skills in the field of agriculture, must develop self-reliance in technology. Moreover, there is no need for the country of function as the purveyors of Multi-National corporation technologies with their patent rights. Agriculture can move on to a higher growth trajectory, if supply side bottlenecks are freed, and a protective cover is accorded to the poor, at least for some time. If this happens, agriculture can propel growth in other sectors too on a sustainable basis, while promoting intersect oral and interpersonal and linkages.

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