



A PANORAMIC VIEW OF INDIA'S DEVELOPMENT STRATEGY UNDER GLOBALIZATION REGIME

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ABSTRACT :

Globalization will promote direct foreign investment and, thus, it enables developing countries to raise capital without recourse to international indebtedness. Globalization enables developing countries to make use of technology developed by advanced countries without investments in Research and Development. Globalization widens the access of developing countries to export their produce in the developed countries. Simultaneously, it enables the consumers of developing countries to obtain quality consumer goods, especially consumer durables, at relatively much lower prices. Globalization introduces faster diffusion of knowledge and thus enables developing countries to raise their level of production and productivity. It, therefore, generates the momentum to reach international standards of productivity. Globalization reduces costs of transport and communication. It also reduces tariffs and thus enlarges the share of foreign trade as a percentage of GDP.



KEYWORDS : Globalisation – Development Path – Strategies – Targets - Achievements.

INTRODUCTION

India faces a twin challenge—demographic dividend and quick technological amendment. Technological progress is putting a higher premium on skills, and any failure of states to lay the groundwork for Indians to lead productive lives will not only carry high cost, it additionally generated more inequality and conflict. In most countries, children born to more modern parents start having acquiring to better opportunities early in life, and these cause to lifelong advantages, whereas children born to poorer parents miss out on these opportunities. If policy makers build additional effort to form early childhood development strategies universal, financial difference would fall.

Technology is currently the most important sector of the world economy, eclipsing even financial services, and includes five of the top 20 public ventures by capitalization. Spillovers and externalities related to the Fourth Industrial Revolution are worldwide in nature and call for universal coordination additionally as national level interventions. Late comers to developments can better manage trade-offs between economic growth and environmental degradation, thanks to technological progress that can increase both economic growth and better management of resource. Scaling up investments in human capital to encourage growth and hinders digital divide is an easy call for the policy makers.

Twenty Years of Globalization: Poverty, Hunger, Unemployment and Corruption Government of India adopted new economic policy (NEP) in 1991. They termed this policy as a policy of liberalization, privatization and globalization (LPG). Though new economic policy claimed to be the policy of LPG (liberalisation,Privatisation and Globalisation) but in essence this policy was mainly the policy of

globalization. Globalization is the process of integrating various economies of the world without creating any hindrances in the free flow of goods and services, technology, capital and even labour or human capital. The term 'globalization' has, therefore, four parameters:

- (i) Reduction of trade barriers to permit free flow of goods and services among nation-states;
- (ii) Creation of environment in which free flow of capital can take place among nation-states;
- (iii) Creation of environment, permitting free flow of technology; and
- (iv) Last, but not the least, from the point of view of developing countries, creation of environment in which free movement of labour can take place in different countries of the world.

More especially from developed countries, limit the definition of globalization to only three components, unhindered trade flows, capital flows and technology flows. They insist on developing countries to accept their definition of globalization and conduct the debate on globalization within the parameters set by them. However, several economists in the developing world believe that this definition is incomplete and in case the ultimate aim of globalization is to look upon the world as a 'global' village, then the fourth component, unrestricted movement of labour cannot be left out. In nutshell, globalization is considered as the engine of growth, technical advancement, raising productivity, enlarging employment and bringing about poverty reduction along with modernization.

SHOCKING UNDERNOURISHMENT

Given the fact that contribution of primary sector in total GDP has declined from 33.53 percent in 1993-94 to 22.97 percent in 2004-05, how can we imagine any better position for poor living in rural areas. National Family Health Survey conducted by Ministry of Health and Family Welfare also supports the hypothesis that vast majority of population is still reeling under poverty. The survey says that 46 percent of all children are underweight and 38 percent are stunted (too short for their age) and 19 percent are wasted (too thin for their height). National Family Health Survey has been conducted for three times in these 15 years, conclude that some of these indicators have actually worsened over the years.

According to National Sample Survey Organisation, nutritional intake of India is declining. NSSO says that between 1993-94 and 2004-05 calorie intake in both rural and urban India has declined by 4.9 and 2.5 percent respectively. Protein intake in rural areas is down by 5 percent. More than two-thirds of rural Indians and 70 percent in urban Indians are reporting that they don't get a full intake of 2,700 kilo calories, defined to be a minimum norm. The percentage of people reporting that they don't get two square meals a day is still relatively large. The levels of undernourishment and malnourishment continue to be shockingly high as per the NSSO data.

PACE OF POVERTY REDUCTION SLOWING DOWN

We witnessed a high rate of GDP growth in the post 1991 period, which is claimed to be a big argument in favour of economic reforms. But, even the most vocal supporter of economic reforms Montek Singh Ahluwalia also concedes that reforms have not resulted in desired level of poverty reduction and decline in poverty is less than what the government had perceived. His confession is supported by the findings of NSS 61st Round data, which clearly speaks out that in the post reform period the pace of poverty reduction has not only been much lower than the official assessments made after NSS 55th Round, it is also less than the actual pace of reduction recorded during 1970's and 1980's. Thus, it is ample clear that the high rate of growth of GDP recorded in the post reform period has not made lives better for poor in the same proportion. Rather, in the post reform period inequalities have accentuated as shown by higher 'Gini Coefficient' (a measure of inequality), which shows an increase in 'Gini Coefficient' from 28.6% in 1993-94 to 30.5% in 2004-05 for Rural India and an increase from 34.4% in 1993-94 to 37.6% in 2004-05 in Urban India. Most notable is the fact that it is a reversal of the trend seen in the previous decade (1983 to 1993-94). These figures imply that poor have less claim on growth and rich have taken the bulk of the benefits from the GDP growth. These figures are not only true for all India, but are applicable for almost all states except a few. If we go on riding this high growth- pro reform phenomenon, it is an alarming signal for times to come.

AGONY OF JOBLESS GROWTH

The paradox of galloping growth and with deepening poverty in the country is explained by the phenomenon of jobless growth. No doubt GDP is rising and rising at a fast pace, but not enough jobs are being created. This has resulted in rising rate of unemployment in the country both in the rural and the urban areas. We note rate of unemployment which was 7.3. percent in urban areas and 7.2 percent in rural areas (males) in the year 1999-2000 as per 55th round of NSSO, which increased to 7.5 percent and 8.0 percent in urban and rural areas respectively. Similar is the condition with regard to females where rate of unemployment increased from 9.4 percent and 7.0 percent in 1999-2000 year as per 55th round of NSSO to 11.6 percent and 8.7 percent in the years 2004-05 in the urban and rural areas respectively. Between 2004-05 and 2009-10 total addition in employment has been only 2 millions as per 66th Round of NSSO.

DETERIORATING QUALITY OF EMPLOYMENT

Recently NSSO released report of its 66th Round. According to the report, number of casual workers increased by 219 lakhs in five years; between 2004-05 and 2009-10. On the other hand self-employed workers, mostly farmers, small and cottage industrialists and merchants have shown a decrease in their number by 251 lakh. This increase in number of casual labour is much higher than the previous rounds.

Low Wages of Casual Labour. NSSO categorizes three types of wage earners. Wages of casual labour are low is evident from the fact that wages of salaried workers in rural areas was Rs 232 per day while in urban areas it is Rs 365 per day; Casual labour hired by the private sector is only Rs 93 and Rs 122 for rural and urban areas respectively. Labour hired for public (government) works was Rs 98 and Rs 86 for males and females respectively. Wages for labour hired for MNREGA was only Rs 91 and Rs 87 for males and females respectively.

NO RELIEF FROM CORRUPTION DESPITE GROWTH IN GDP

Recently published report by Transparency International states that transparency index of India has come down from 3.5 to 3.3 and ranking of India in terms of transparency has come down to 87 in list of 178 country. This has been mainly attributed to corruption in organising Common Wealth Games.

Ironically, the world's most corrupt countries are poor ones. Generally in rich countries we find more transparency due to compliance with law & order. This implies that with development transparency (integrity) index goes up, as institutional frame work would be put in place with regard to compliance with law and order. But contrary to international experience, in India, despite growing national and per capita income, corruption index is also growing.

Progress due to genius and hard working Indian's is being eaten away by unscrupulous politicians and bureaucrats and thus benefits of the development are not fully reaching the general public. Countries wealth is being cornered by these elements.

INFLATION AND RISING DEBT BURDEN

- ❖ Education and health for all still a distant dream
- ❖ Some time back a law was enacted by the parliament in the name of Right to Education. It's a known fact that as per Directive Principles of the State Policy, as enumerated in the Constitution of India the government was expected to provide for universal primary education. Even after 60 years of the promulgation of the Constitution, to implement Right to Education. This amount is only one sixth of the loss to the exchequer, due to only 2G scam.
- ❖ Provision of health is the primary responsibility of the government. The government has even declared its objective to achieve health for all in Millennium Development Goals (MDGs). But due to paucity of funds government has been taking its hands off from public health services and common man has been left to the mercy of private institutions.

- ❖ According to Union Budget 2010-11, a provision of only 23,530 crore has been kept for Public Health and Family Welfare. According to a rough estimate if the government spends an additional amount of Rs.30,000, reasonable health facilities may be provided for the common man. Today, 230 out of one lakh mothers die while giving birth to their child. 66 out one thousand children do not live on their 5th birthday. We can bring revolutionary changes in all these conditions, provided we win over corruption.

CONCLUSION

If we are one of the fastest growing nations in the world it is not because of globalisation. If we have a look at the composition of GDP and its growth, it is clearly indicated that agriculture has been completely neglected under the influence of foreign investment. Government has reduced its expenditure on agriculture.

Budgetary allocation for agriculture has been reduced from 27 per cent in the pre globalisation era to only 6 per cent now. Contribution of agriculture has come down from more than 25 per cent to less only 14.4 per cent. Sector which has grown fastest, that is service sector, is mainly due to growth in IT, BPO sector etc. This at best can be attributed to technological factors and Indian genius. If India has emerged as a hub for medical tourism it is because of the excellent human resource in the field of medicine, surgery and other related fields. India has pushed the established centres far behind and made its position on the top on the basis of excellent service at competitive prices. No country whatsoever has ever willingly provided us with any technology with regard to space, nuclear sciences or others. It is our scientists who have made it possible. To conclude we can say nobody can stop India now to become a global superpower. What we require is a self confidence, consistent efforts to educate our people at all levels, build understanding that world needs us more than we need them.

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