



Globalization in Punjab

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Abstract

In the sphere of economy, technology, politics, morality, culture and communication, we are facing different though interrelated processes of globalization which are becoming more and more powerful and vivid for last decades. Rural health and rural education along with modernization of agriculture and allied activities continue to be pillars of rural reconstruction and development. The agricultural processes and practices are highly commercialized in the state. There is an attempt by the producer to internalize the gains and externalize the cost to promote their profitability. Punjab is one of the most prosperous states of the country. Globalization in Punjab is primarily based on the elimination of the technical obstacles, abolition an time.

Introduction

Indian economy had experienced major policy changes in early 1990s. The new economic reform, popularly known as, Liberalization, Privatization and Globalization aimed at making the Indian economy as fastest growing economy and globally competitive. The series of reforms undertaken with respect to industrial sector, trade as well as financial sector aimed at making the economy more efficient.

With the onset of reforms to liberalize the Indian economy in July of 1991, a new chapter has dawned for india. This period of economic transition has had a tremendous impact on the overall economic development of almost all major sectors of the economy, and its effects over the last decade can hardly be overlooked. Besides, it also marks the advent of the real integration of the Indian economy into the global economy.

This era of reforms has also ushered in a remarkable change in the Indian mindset, as it deviates from the traditional values held since Independence in 1947, such as self reliance and socialistic policies of economic development, which mainly due to the inward looking restrictive form of governance, resulted in the isolation, overall backwardness and inefficiency of the economy, amongst a host of other problems. This, despite the fact that India has always had the potential to be on the fast track to prosperity.

Now that India is in the process of restructuring her economy, with aspirations of elevating herself from her present desolate position in the world, the need to speed up her economic development is even more imperative. And having witnessed the positive role that Foreign Direct Investment (FDI) has played in the rapid economic growth of most of the Southeast Asian countries and most notably China, India has embarked on an ambitious plan to emulate the successes of her neighbours to the east and is trying to sell herself as a safe and profitable destination for FDI.

Globalization has many meanings depending on the context and on the person who is talking about. Though the precise definition of globalization is still unavailable a few definitions are worth viewing, **Guy Brainbant**: says that the process of globalization not only includes opening up of world trade, development of advanced means of communication, internationalization of financial markets, growing importance of MNCs, population migrations and more generally increased mobility of persons, goods, capital, data and ideas but also infections, diseases and pollution. The term globalization refers to the integration of economies of the world through uninhibited trade and financial flows, as also through mutual exchange of technology and knowledge. Ideally, it also contains free inter-country movement of labor. In context to India, this implies opening up the economy to foreign direct investment by providing facilities to foreign companies to invest in different fields of economic activity in India, removing constraints and obstacles to the entry of MNCs in India, allowing Indian companies to enter into foreign collaborations and also encouraging them to set up joint ventures abroad; carrying out massive import liberalization programs by switching over from quantitative restrictions to tariffs and import duties, therefore globalization has been identified with the policy reforms of 1991 in India.

The Important Reform Measures (Step Towards liberalization privatization and Globalization)

Indian economy was in deep crisis in July 1991, when foreign currency reserves had plummeted to almost \$1 billion; Inflation had roared to an annual rate of 17 percent; fiscal deficit was very high and had become unsustainable; foreign investors and NRIs had lost confidence in Indian Economy. Capital was flying out of the country and we were close to defaulting on loans. Along with these bottlenecks at home, many unforeseeable changes swept the economies of nations in Western and Eastern Europe, South East Asia, Latin America and elsewhere, around the same time. These were the economic compulsions at home and abroad that called for a complete overhauling of our economic policies and programs. Major measures initiated as a part of the liberalization and globalization strategy in the early nineties included the following:

Devaluation- The first step towards globalization was taken with the announcement of the devaluation of Indian currency by 18-19 percent against major currencies in the international foreign exchange market. In fact, this measure was taken in order to resolve the BOP crisis

Disinvestment-In order to make the process of globalization smooth, privatization and liberalization policies are moving along as well. Under the privatization scheme, most of the public sector undertakings have been/ are being sold to private sector

Negative effects of globalization

- The growth of international trade is exacerbating income inequalities, both between and within industrialized and less industrialized nations
- global commerce is increasingly dominated by transnational corporations which seek to maximize profits without regard for the development needs of individual countries or the local populations
- protectionist policies in industrialized countries prevent many producers in the Third World from accessing export markets;
- the volume and volatility of capital flows increases the risks of banking and currency crises, especially in countries with weak financial institutions
- competition among developing countries to attract foreign investment leads to a "race to the bottom" in which countries dangerously lower environmental standards

- cultural uniqueness is lost in favor of homogenization and a "universal culture" that draws heavily from American culture
- Critics of economic integration often point to Latin America as an example where increased openness to international trade had a negative economic effect. Many governments in Latin America (e.g. Peru) liberalized imports far more rapidly than in other regions. In much of Latin America, import liberalization has been credited with increasing the number of people living below the USD \$1 a day poverty line and has perpetuated already existing inequalities .

Positive effects of globalization

- Conversely, globalization can create new opportunities, new ideas, and open new markets that an entrepreneur may have not had in their home country. As a result, there are a number of positives associated with globalization:
- it creates greater opportunities for firms in less industrialized countries to tap into more and larger markets around the world
- this can lead to more access to capital flows, technology, human capital, cheaper imports and larger export markets
- it allows businesses in less industrialized countries to become part of international production networks and supply chains that are the main conduits of trade

EFFECTS IN PUNJAB

Globalization and health:

health is a complex outcome and the processes of globalization. On the one hand, accelerated economic growth and technological advances have enhanced health and life expectancy in many populations and various health care and public-health programmes yield gains in population health. On the other hand, aspects of globalization erode population health via the erosion of social and environmental conditions, the global division of labour, the exacerbation of the rich-poor gap between and within countries, and the accelerating spread of consumerism.

Globalization process in the form of Green Revolution introduced three kinds of changes including economic changes, socio-cultural changes and environment changes. On the basis of above figure, it can be concluded that contextual determinants such as global markets, global communication, and diffusion of information, global mobility, cross-cultural interaction and global environmental changes affect distal factors. The distal determinants have the potential to affect the proximal health determinants, and consequently, affect health.

Globalization led to three kinds of changes in context of Punjab, namely, economic changes, socio-cultural changes and environment changes. All these changes have profound effects on health such that the people of Punjab are battling health problems including noticeable rise in cancer cases, reproductive health problems, mental retardation and kidney ailments. It is to be noticed that all the three processes, namely economic changes, socio-cultural changes and environmental changes are related to each other such that one triggers the other aspects to change.

Globalization and small scale business:

Position of small scale business in Punjab.

- Tough competition at international level-lack of new technologies SMEs.

- Increasing cost of production-as a result of no longer supply of power-power may become increasingly unaffordable for SMEs.it makes SMEs dependent on diesel based backup system.
- Increasing migration of SMEs to neighbouring states which provide them comfortable shelter with facilities and exemptions in tax etc.
- Non-availability of raw-material.

The government of india take positive steps to overcome these problems:

- Increase investments
- Separate WTO cell known as MSME- DO SET UP
- Prime minister national awards to SMEs every year for excellent performance.
- Attract FDI in Punjab to invest and group.
- The international corruption scheme, for modernization, technology upgradation and enhancement of competitiveness of SMEs has been implemented to promote exports, exposed foreign markets,products and services.

Globalization and culture:

The consumer culture obliterates the difference between **needs** from the **below** and the **desire** imposed upon the people from the **above**.As a result people are made to run fast on the global tract to materialize their aspirations but the gap between limited resources and aspiration generates the social evils like dowry system , window burning , family feuds and neurotic restlessness.

Consumerism is not only confined to commodity production , it also commodification of status or the creation of status symbols. It produces its own vocabulary and language. The meaning of life and of living standard is transmitted to consumer through the glamour of market. A common man dissociates from his own culture stream and becomes rootless.

Globalization and Punjab economy:

Diversification of agriculture would not be possible without diversification of the economy in the form of massive industrialization of the state dependent on its resource endowment.In the light of GATT agreement 1994 & their possible impact on Punjab agriculture while accepting crop diversification & agro-processing as solution to problems of Punjab.

Globalisation and education:

The state of college and university education in Punjab is far from satisfactory.The number of students seeking admission to colleges is increasing day by day and the youth remain inclined to get degrees than to pursue diversification after the plus two stage.The UGC identified such courses in as many as 35 subjects which include such diverse subjects as computer application ,tax procedure & practices,clinical nutrition dietics,bio-technology,instrumentation,electrical equipment maintenance,rural technology and construction technology mgt etc.

Conclusion

The role of nation state within the emerging global economy in which national borders would cease to exist.The first objective before any state should be the concern for the standard of living of the people.

In case of MNCs or transnational companies it is the fiscal health of these bodies that take priority over the entire position of national economy including welfare of people.

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