

GLOBALIZATION - IMPACT ON THE INDIAN SOCIETIES

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ABSTRACT

“Global interaction, rather than insulated isolation, has been the basis of economic progress in the world. Trade, along with migration, communication, and dissemination of scientific and technical knowledge, has helped to break the dominance of rampant poverty. Globalization was adopted by Indian Government during 1990-91 when Indian Economy was in very bad shape. It was, however, adopted not as a solution to deteriorating India economy but to enable itself to get further foreign exchange loans from World Bank as its foreign exchange reserves were reduced. To rectify its ailing financial health, Government simultaneously decided to amend its economic policies and go for privatization & liberalization of its economy. These decisions had immediate positive effect. However, globalization has proved to be a double edged weapon. It did help government temporarily meet its emergent need of foreign exchange but it has, as a by-product, caused some permanent damage to Indian Economic system and Indian social structure. The present work investigates the effects of globalization on psychological functioning. It is observed that globalization is a vital step towards a more stable world and better lives for people in it. However, human lives are increasingly being challenged and integrated into larger global networks of relationships. The forces of globalization are affecting the youth, families, and cultural systems worldwide. All social systems are contaminated by the need to borrow values, morals, skills, and competencies from the next regions or nations.

Key Words: Globalization, Culture, Psychological functioning, Privatization, Liberalization, disinvestment, , Foreign exchange.

INTRODUCTION

The term “Globalization” has been widely used in the last fifteen years. It is a controversial term and has been defined in several different ways. Globalization indicates that the world today is more interconnected than before. Globalization in its basic economic sense refers to the adoption of open and unfettered trading markets (through lowering of trade barriers, removal of capital controls, and liberalization of foreign exchange restrictions). Large volumes of money movement,

increased volumes of trade, changes in information technology and communication are all integral to a global world. There is also a significant movement of people from one country to another for trade and work. Such increases in the movement of goods, labor, and services have weakened national barriers and restrictions that are imposed by a nation state. In the past two decades, economic globalization has been the driving force behind the overall process of globalization. Globalization is the process by which culture influence one another and

become more alike through trade immigration and the exchange of ideas and informations (Giddens 2000). The process of doing trade has got a tremendous boost in last about 20 years due to the policies of IMF, The World Bank, WTO, who are engaged in USA. They all are compelling developing countries for globalization by encouraging local markets to world trade. Development of means of communication, transport, financial market, mobility of goods, Capital, manpower & data all have boosted globalization. It was initially engaged in trading relations but it spread in the fields of national and regional economy, societies and cultures through global network trade, communications and migrations (C. Rangarajan 2000). These Human links have changed socio-cultural face of various countries of the world (www.globalpolicy.org).

EFFECTS OF GLOBALIZATION ON INDIAN ECONOMY

Many discussions of globalization have focused mainly on economics and politics (Appadurai 2000). However, realizing that Globalization, by itself, may not help the ailing Indian economy, the then Government of India decided to go for privatization of its economy and to adopt liberalized economic policies such as abolition of Industrial licensing, abolition of Government control over capital issues and creation of SEBI to encourage equity culture in India and decided to go for partial disinvestment in public sector enterprises.

Policies of Privatization and liberalization of economy, along with the process of globalization, had a dramatic effect on Indian Economy which responded swiftly and positively to these measure, Fiscal deficit immediately came down to 5.9% in 1991-92 itself. The real GDP increased at an annual rate of about 6%.

More than other imports, imports of capital goods, embodying technological innovation are important both because of the role they play in contributing to capital upgrading and more generally to economic growth of Developing Countries (Xu and Wang, 2000; Eaton and Kortum, 2001; Mazumdar, 2001), and because they originate the so-called “skill-enhancing trade”, (Robbins, 1996 and 2002; Barba Navaretti et al., 1998; Berman and Machin, 2000 and 2004; Vivarelli, 2004). In fact, even without necessarily assuming that developed countries

transfer their “best” technologies to the DCs, it is quite reasonable to expect that transferred technologies are relatively skill-intensive, i.e. more skill-intensive than those in use domestically before trade and FDI liberalization. If such is the case, openness via technology should imply a counter – effect to the SS theorem prediction, namely an increase in the demand for skilled labour, an increase in wage dispersion and so an increase in income inequality.

Finally, globalization is often coupled with market – oriented policy reforms within the globalizing Dc,s (such as the liberalization of the domestic labour market or the privatization of previously state – owned firms; Lee, 2000; Easterly, 2001; Milanovic, 2003). Hence, on the theoretical side, relaxing the HO hypothesis of technological homogeneity, and allowing of capital deepening and skill – biased technological change.

Direct effect of Globalization is intensified interdependence of Indian economy and world economy. As a result, it has become very difficult for Government of India to insulate its economy from World Economy. Government is no more the sole driver of Indian Economy which is influenced more and more by international policies and international economic conditions (Chander Sekhran, Balkrishnana and C.Rangarajan 2002). Direction and depth of all economic activities in India is now governed largely by global Economy.

Through Globalization large scale migrations from India and easy availability of foreign products have increased the exposure of Indian population to high quality and reputed foreign products/brands. Indians now prefer global brands over Indian brands. Globalization has adversely affected many established companies.

Reductions in custom duties have snatched large part of Indian market from Indian Industry and passed it on to imports from established global players.

Indian industry has transformed itself from labour intensive processes to Capital intensive processes by adopting global technologies and automatic machinery. This has resulted in high rate of unemployment in India. Unemployment is the biggest challenge for Indian Government today.

GLOBALIZATION: FAMILIES AND MENTAL HEALTH

Globalization and its impact on people at social, cultural, and psychological levels is discussed in this head. Societies and people are changing because of this economic phenomena and the process of change can impact families, individuals and communities. Globalization is associated with rapid and significant human changes. The movements of people from rural to urban areas has accelerated, and the growth of cities in the developing world especially is linked to substandard living for many. Family disruption and social and domestic violence are increasing.

Global population is getting closer to sharing similar social values, aspirations, attitudes and life styles. Local culture, spiritual practices and core social – values have been getting reframed and a new meaning is being given to human life. It is globalization and globalization alone, which is responsible for changing people's outlook and life style (Pieterse Jan. N 2003).

Western culture has given new meaning to life to Indian youth (Ghosa, Biswajit 2011). The forces of Globalization are taxing the youth (Doku, P. N., Opong Asante, K. 2011). Old age religious practices which differentiated people from different religions are getting blurred (V. Sundram).

Concepts of national identity, and of family, job and tradition are changing rapidly and significantly. There is concern that competitiveness introduced by globalization is leading to more individualistic societies. On the other hand, rapid change can encourage fundamentalism, a desire for the past, and a loss of tolerance for differences in religion and culture. The nation state is losing influence relative to global economic pressures, and in some countries there is a failure or hesitation to develop social policies. All of these changes increase the likelihood that vulnerable people will be exploited, and threats to the human rights of less able people will increase.

It is observed by economists that the crash of the stock market in Asia in 1994 was an example of the rapid spread of adverse human consequences because of the interdependence of economies and people. Millions of people lost prosperity and

livelihoods, and education and health services were among those cut across the region. The effects, including social unrest and poverty, are still evident. Domestic violence and suicide increased in this period in several parts of the countries in the region. It is also noticed that the illicit drug trade has grown in recent years to form a significant proportion of the total business volume in the world.

THE BUSINESS PERSPECTIVE OF GLOBALIZATION:

In a capitalistic market, multinational companies are taking the lead in establishing themselves and creating a major presence in almost every part of the world. Coca Cola, McDonalds, and Nike are examples of such growth and proliferation. The media then plays a major role in advertising the benefits of new products and services as being BETTER AND SUPERIOR to what the local market has. And slowly but steadily the food that we eat, the clothes we wear and the life style we lead begins to change. This process becomes consumerism within a capitalistic culture.

So people as consumers are being studied for their patterns and behaviors of spending. At one level it may appear that globalization has no significant impact on families and that our lives are 'normal' in most circumstances. Many people are not totally aware of how they form a crucial part of this phenomenon. The reality is that every single individual is affected in one way or another. These changes affect people's identities and cultural values, which sometimes become altered significantly. Whether it is between generations, or intra-personally, new values can cause dissonance and conflict with existing deeper-rooted values. Sometimes such transitions and changes can further cause difficulty with internal growth and development.

PSYCHOLOGICAL IMPACT OF GLOBALIZATION:

The most significant psychological consequence of globalization is that it transforms one's identity: in terms of how people think about themselves in relation to the social environment. There are many major issues related to identity, which develop due to globalization. The implications of Globalization on culture and psychological functioning are also investigated (Doku, P. N.,

Oppong Asante, K. 2011). Culture is defined as the total pattern of human behavior and its products embodied in speech, action and artifacts and dependent upon man's capacity for learning and transporting knowledge to succeeding generations (Tomlinson 1999).

Firstly, Globalization has its primary psychological influence on issues of identity. The central psychological consequence of globalization is that it results in transformations in identity, that is, in how people think about themselves in relation to the social environment. Two aspects of identity stand out as issues related to globalization. First, as a consequence of globalization, most people in the world now develop a bi-cultural identity, in which part of their identity is rooted in their local culture while another part stems from an awareness of their relation to the global culture. Second, the pervasiveness of identity confusion may be increasing among young people in non-Western cultures. As local cultures change in response to globalization, some young people find themselves at home in neither the local culture nor the global culture. Several writers have argued that many children and adolescents now grow up with a global consciousness. From a psychological perspective, this consequence of globalization can be usefully conceptualized in terms of bicultural identities, (Tomlinson 1999). What it means in this context is that in addition to their local identity, young people develop a global identity that gives them a sense of belonging to a worldwide culture and includes an awareness of the events, practices, styles, and information that are part of the global culture. Our global identity allows us to communicate with people from diverse places when we travel from home, when others travel to where we live, and when we communicate with people in other places through media technology. Television and the Internet are even more important, because they allow direct communication with other people worldwide and because they provides direct access to information about every part of the world. Parallel to our global identity, we continue to develop a local identity as well, one based on the local circumstances, local environment, and local traditions of the place where we grew up. This is the

identity we use most in our daily interactions with family, friends, and community members. Thus, people have one identity for participating in the global world and succeeding in the fast-paced world of high technology, and another identity, rooted in traditions, that they maintain with respect to their families and personal lives. Although developing a bi-cultural identity means that a local identity is retained alongside a global identity, there is no doubt that local cultures are being modified by globalization, specifically by the introduction of global media, free market economics, democratic institutions, increased length of formal schooling, and delayed entry into marriage and parenthood. These changes greatly alter traditional cultural practices and beliefs. Such changes as (Hermans & Kempen 1998) noted may lead less to a bi-cultural identity than to a hybrid identity, combining local culture and elements of the global culture. As local cultures change in response to globalization, most people manage to adapt to the changes and develop a bi-cultural or hybrid identity that provides the basis for living in their local culture and also participating in the global culture. However, for some people, adapting to the rapid changes taking place in their cultures is more difficult. (Doku, P. N., Oppong Asante, K. 2011).. In terms of (Erikson 1968) theory of identity formation, it could be said that in facing the issue of identity versus identity confusion in adolescence, globalization increases the proportion of young people in non- Western cultures who experience a state of identity confusion rather than successfully forming an identity. What this means is that as the young increasingly grow up with a global consciousness, they are likely to have diminished ties to the specific place they live in.. Again, electronic media such as television and computers are at the heart of this transformation, because of the way they penetrate local experience and allow access to information and persons in many other places. However, for some youth rather than experiencing identity confusion they create their own ways of doing things (self selected cultures). Identity confusion among young people may be reflected in problems such as depression, suicide, and substance use.

Secondly the change brought about by globalization is the growth of the self-selected culture, which means people choose to form groups with like-minded persons who wish to have an identity that is untainted by the global culture and its values. The values of the global culture, which are based on individualism, free market economics, and democracy and include freedom, of choice, individual rights, openness to change, and tolerance of differences are part of “western values.” For most people worldwide, what the global culture has to offer is appealing. One of the most vehement criticisms of globalization is that it threatens to create one homogeneous worldwide culture in which all children grow up wanting to be like the latest pop music star, eat Big Macs, vacation at Disney World, and wear blue jeans, and Nikes. This outcome is unlikely since most people will develop a bicultural identity that includes a local identity along with their global identity. Besides, while most young people may jump with accept globalization and its changes, there will e other who will remain out of it by joining a self-selected culture of fellow dissenters. Such groups can have a religious basis, which can result in fundamentalism or espouse clear non-religious anti-global views.

Thirdly the consequence of globalization is the spread of emerging adulthood. The timing of transitions to adult roles such as work, marriage and parenthood are occurring at later stages in most parts of the world as the need for preparing for jobs in an economy that is highly technological and information based is slowly extending from the late teens to the mid-twenties. Additionally, as the traditional hierarchies of authority weaken and break down under the pressure of globalization, the youth are forced to develop control over their own lives including marriage and parenthood. The spread of emerging adulthood is related to issues of identity. Where a period of emerging adulthood is present, young people have a longer period for identity explorations in love and work before they commit themselves to long-term choices. By experiencing different love relationships, different educational possibilities, and different jobs, they learn more about themselves and they clarify their preferences and abilities. Emerging adulthood is

possible only in societies where economic development is high enough that the labor of young people is not urgently needed.

They are allowed to spend their late teens and early to mid-twenties exploring possibilities for self development because there is no pressing need for them to contribute to the economic well-being of their families (Arnett, 2000). For young people in developing countries, emerging adulthood exists only for the wealthier segment of society, mainly in urban areas, whereas the rural poor have no emerging adulthood and may even have no adolescence because they begin adult-like work at an early age and begin relatively early. Social scientists (Larson and Saraswathi, 2002) observe, that the lives of middleclass youth in India, South East Asia, and Europe have more in common with each other than they do with those of poor youth in their own countries.

Globalization appears to be a significant force in the psychological development of the people of the 21st century. Globalization has been going on in some form or another for centuries: Cultures have long influenced each other through trade, migration, and war. As a consequence of globalization, the challenges of creating a viable identity are perhaps greater than they have been in the past. According to (Giddens 2000), “when globalization alters and erodes traditional ways, identity “has to be created and recreated on a more active basis than before”. Identity is less influenced by prescribed social roles and based more on individual choices, on decisions that each person makes about what values to embrace and what paths to pursue in love and work. Some people react to this responsibility with identity confusion or seek refuge in a self selected culture that offers more structure and takes over some decisions.

SOCIAL AND CULTURAL IMPACTS OF GLOBALIZATION

The study of social changes is extensive and often support the impact of changes in families. India is a culturally diverse country. Sixteen per cent of the world’s population lives in the country. There are over 826 languages and thousands of dialects spoken. The difference in regions, topography and climate allow for different types of lifestyles and

culture. Although about 70 per cent of the populations live in rural areas, India is rapidly urbanizing with more than 225 cities with over 100,000 population, and at least ten cities alone with over a million people.

By United Nations standards, Indian has begun to age. Over 7.7% of the population is above 60 years and this number is expected to reach 12.6% by the year 2025. . Improved sanitation, increased attention to maternal health and better childcare facilities greatly reduced infant mortality rates. Globalization is hardly a new force affecting India. To think so is to ignore a diverse and pluralistic long-standing civilization that was shaped by a long list of (globalizing) cultures that became what we now know as India. The previous globalizers of India include the Aryans, Greeks, Turks, Afghans, Muslims and most recently, the Europeans, Portuguese, French, Dutch and finally the English.

The former globalizers that came with invading armies have increasingly been replaced by less violent but equally powerful globalizers. Television is arguably the most dominant gateway of globalization affecting India today. While TV was launched in India in the late 1950s it only became widespread in the 1980s, after the governments ended their monopoly as the only broadcaster. Satellite TV arrived in 1991, bringing with it far reaching consumerism. In terms of people, India faces some resource and infrastructure constraints. Increased longevity has led to the emergence of many health and social issues. Fragmentation of the traditional family network is leading to an erosion of the available support within the immediate and extended family.

Migration of younger generations from rural to urban areas and from one urban center to another as well as transnational migration has resulted results in the elderly being left to fend for themselves at a time when family support becomes more crucial. With more women joining the workforce system, the care of aged within families has declined. For those who live within extended families the elderly have to live in harmony with the younger generation that has to face a highly competitive world of globalization. While the nuclear family system is increasingly becoming the

norm, modern life-styles, changing professional and personal expectations are impacting relationships of marriage and commitment. In cities young people are starting to choose their own partners. Arranged marriages, however, continue. Meanwhile, as divorce rates increase especially in cities, the concept of single parenthood has not caught on in the Indian culture. According to the India's Ministry of Health reports (1997), teenage pregnancies are reaching an all-time high. In the southern state of Kerala, teenage abortions rose by 20 per cent in a year, while the western state of Maharashtra, one-fifth of all abortion were with girls less than 15.

Consumerism has permeated and changed the fabric of contemporary Indian society. Western fashions are coming to India. The traditional Indian dress is increasingly being displaced by western dresses especially in urban areas. Indian MTV, soap television, and films set a stage for patterns of behavior, dress codes and jargon. Despite prohibition of child labor by the Indian constitution, over 60 to a 115 million children in India work. While most rural child workers are agricultural laborers, urban children work in manufacturing, processing, servicing and repairs. Globalization most directly exploits an estimated 300,000 Indian children who work in India's hand-knotted carpet industry, which exports over \$300 million worth of goods a year. Uncounted other children work in less formal sectors, such as the incense industry, used both domestically and exported. Reports indicate that urban Indian children and youth face significant competition and pressure to succeed

The growth of the computer and technology sector has provided middle class educated women with better wages, flex-timings, and the capacity to negotiate their role and status within the household and society. On the other hand, women continue to work in poorly paid, mentally and physically unhealthy, and insecure situations.

For most women, their domestic responsibilities are not alleviated. Wage gaps have not showed any significant changes in most employment sectors other than information technology. Additionally, prostitution, abuse and dowry related suicides are on the increase despite globalization and some say that the materialistic

greed is one of the main causes.

CONCLUSION

The impact of globalization in the cultural sphere has, most generally, been viewed in a pessimistic light. Typically, it has been associated with the destruction of cultural identities.

Globalization has greatly influenced and affected culture and identity change. People are losing their inherent national, regional, cultural, political and traditional identity. Through communication media they are learning a lot and closely linked with one another throughout the entire globe. Particularly youngsters are using these devices and adopting and following the different practices of others and sometimes the hybridization is seen. So it has become very necessary to conserve the values and traditions of our own. To keep in the view, no doubt the knowledge of all the practices of the whole world should be in our mind but ethics and values of ours be well preserved and no change should be indicated regarding our own identities and personalities. The pure form of our identity be maintained.

At last we can conclude that Globalization and marginalization go hand in hand in India. With millions of poor farmers, rural laborers, urban unemployed, slum-dwellers, 3 million refugees, 100 million street children, and the millions displaced by 'the development' projects, poverty in this era of globalization has assumed new dimensions. The question of "are the poor getting poorer?" related to inequality both nationally and internationally. It is apparent that in order to ensure that the potential gains from globalization are shared among all groups (rich and poor countries and between groups within a country) major reforms may be needed.

We can thus observe that Globalization does not seem to have helped Indian Industry. We may call globalization, at best, a double edged weapon, it has helped Indian consumers to enjoy all high Quality global brands. It did help Government of India to tide over its serious foreign exchange problem, though temporarily, by enabling it to get loans from World Bank. But, it has been at the cost of serious erosion of control of Indian Government

over its economy and at the cost of local Industry and socio cultural heritage.

Globalization is not only useless but dangerous to for Indian Economy. It gave temporary relief to Indian Government to tide over its serious foreign exchange situation during 1990-91 by enabling it to get loan from World Bank. But, as a byproduct, it has caused some permanent damage to Indian Economic system and deep rooted Indian social structure.

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