

IMPACT OF GLOBALIZATION ON INDIAN AGRICULTURE SECTOR

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Abstract

Globalization brings people and businesses together through the international exchange of money, ideas and culture. India is one of the prime nations which gained immensely in the introduction & implementation of globalization. After globalization in India, the rise of foreign investment in the retail, corporate and scientific sectors is very much evident and globalization is playing an important role in the development of country. It can be seen that, globalization has certain advantages such as economic processes, technological developments, political influences, health systems, social and natural environment factors. Agriculture sector plays key role in economic development. Therefore present study analyzes the impact of globalization on Indian agriculture. The main theme of this paper is to study the agricultural growth and impact on Indian agriculture with the help of globalization.

Keywords: *Globalization, Indian Economy, Agriculture sector.*

Introduction:

Global market treats the world as a single market. With the advent of information technology and its strategic application, the world is focused as a global village and all traders are therefore globalized. The 1991 reforms in India have led to greater economic liberalization which has in turn increased India's interaction with the rest of the world. India currently accounts for 2.7% of world trade (as of 2015), up from 1.2% in 2006 according to the World

Trade Organization. Until the liberalization of 1991, India was largely and intentionally isolated from the world markets, to protect its fledgling economy and to achieve self-reliance.

Objectives of the study:

1. To understand the concept of Globalization.
2. To study the globalization policy in India.
3. To study impact of globalization on Indian agriculture.

Data base and Methodology:

The study has been carried out based on the relevant secondary data. The secondary data has been collected from internet sources, articles, research paper, newspaper, etc.

Concept of Globalization:

The concept of globalization was first introduced by Adam Smith, the father of modern economics in the year 1776 through the book titled, "Wealth of the Nations". Globalization is the process of rapid integration of countries and happenings through greater foreign trade and foreign investment. It is the process of international integration arising from the interchange of world views, products, ideas, money and culture.

Globalization is an economic, social, cultural, political, and legal phenomenon.

- ❖ **Economically** - globalization involves goods, services, the economic resources of capital, technology and data.
- ❖ **Socially** - globalization leads to greater interaction among various populations.

- ❖ **Culturally** - Globalization represents the exchange of ideas, values and artistic expression among cultures. Globalization also represents a trend toward the development of single world culture.
- ❖ **Politically** - Globalization has shifted attention to intergovernmental organizations like the United Nations (UN) and the World Trade Organization (WTO).
- ❖ **Legally** - Globalization has altered how international law is created and enforced.

Globalization in India:

The wave of globalization hit India's economy at the end of the last century and still the country is flowing with the current of global changes. New economic reforms in India's economy introduced in the year 1991. The central point of the reforms was liberalization of economy. Economy of India experiences major kinds of changes in the policy during the early part of 1990s, that has got the newer mode of economic reform, relevant popularly marked as Liberalization, Privatization and Globalization (LPG). LPG aims in making India's economy the fastest growing front and being competitive on international platform. There are many reforms followed in the industrial sector, financial & trading sector, agricultural sectors of India.

Agriculture sector in India:

Agriculture, with its allied sectors, is the largest source of livelihoods in India, more so in the vast rural areas. It also contributes a significant figure to the Gross Domestic Product 70 percent of its rural households still depend primarily on agriculture for their livelihood, with 82 percent of farmers being small and marginal. In 2017-18, total food grain production was

estimated at 275 million tonnes. India is the largest producer (25% of global production), consumer (27% of world consumption) and importer (14%) of pulses in the world. India's annual milk production was 165 million tonnes (2017-18), making India the largest producer of milk, jute and pulses, and with world's second-largest cattle population 190 million in 2012. It is the second-largest producer of rice, wheat, sugarcane, cotton and groundnuts, as well as the second-largest fruit and vegetable producer, accounting for 10.9% and 8.6% of the world fruit and vegetable production, respectively.

Impact of Globalization on Indian Agriculture:

- 1) **Agriculture growth rate-** Indian agriculture sector has shown a slow average annual growth rate. It was 3.1 % during the decade 1980-1990 prior to liberalization of the economy. But since then the annual growth rates of agriculture have declined consistently relative to annual growth rate of the population.
- 2) **Use of new technologies** - Use of various technologies are increased such as pesticides, herbicides and fertilizers as well as new breeds of high yield crops. This helps in increasing production of cereal. These technologies included modern implementations in irrigation projects, pesticides, synthetic nitrogen fertilizer and improved crop varieties.
- 3) **Agricultural crops** - With globalization farmers were encouraged to shift from traditional crops to export-oriented 'cash crops' such as

cotton and tobacco but such crops needed far more inputs in terms of fertilizers, pesticides and water.

- 4) **Share in National income**-From the very beginning agriculture sector is contributing major portion to Indian national income. In 1950-51 agriculture and allied activities contributed about 59% of the total national income. Although the share of agriculture sector has been declining gradually with the growth of other sector. The share of agriculture sector has been declined to 54% in 1960-61, 40% in 1980-81, 18% in 2008-09 and then to 14% in 2015-16.
- 5) **Agricultural employments**-The decline in overall growth of employment during 1993-94 to 2004-05 was largely due to fall in creation of employment opportunities in agriculture. With increase in knowledge and entry of many foreign firms in the non-agricultural sectors, the labor has shifted to manufacturing and services sectors.
- 6) **Per capita income** - *In 1951, agriculture provided employment to 72 per cent of the population and contributed 59 per cent of the gross domestic product. However, by 2001 the population depending upon agriculture came to 58 per cent whereas the share of agriculture in the GDP went down drasti-*

cally to 24 per cent and further to 22 per cent in 2006-07. This has resulted in a lowering the per capita income of the farmers and increasing the rural indebtedness.

- 7) **Farmer suicide** - The number of rural landless families increased from 35 per cent in 1987 to 45 per cent in 1999, further to 55 per cent in 2005. The farmers are destined to die of starvation or suicide. Former honorable Agriculture Minister Shri Sharad Pawar informed the Rajyasabha that roughly 1,00,000 Indian farmers committed suicide during the period 1993-2003 mainly due to indebtedness.

Conclusion:

Since by adapting globalization policy in India, agriculture sector of the country is under stress. So currently, the government needs to ensure adequate reforms to reveal the sector. Agriculture sector needs the much needed attention because 52% population of the country are looking forward to reforms in agriculture sector.

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