

## GLOBALIZATION AND ITS IMPACT ON RURAL AGRICULTURE IN INDIA

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**Abstract:** The main objective of this paper is to understand the basically a globalization and its impact on the Indian Rural agriculture for the sustainable development in India, the globalization is the process began in 1991 as a result of new economic policies. Globalization refers to the process of integration the domestic economy with the world economy. Globalization is the process of movement of capital and flow of finance from one country to other country. 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 growth rate of production in per hectare and impact on Indian agriculture with the help of globalization before and after this concept. Globalization eludes to builds the development of money, inputs, yields, data and science crosswise over inconceivable geographic ranges. Thus the new system has changed from command economy to federal economy.

**Keywords:** Agriculture, Economy, Globalization, Production system, Development, Rural Marketing.

### **Introduction:**

Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture. Agriculture is the backbone of every nation to meet its basic needs required for survival and aids in stability, sustainability and strengthens the economy. According to the FAO 2014, 70 % of the world's people in rural areas depend only on the agriculture as major source of income and development. It takes more than one-third of the world's area and more than two-third of the world's water resources. Climate change hinders the patterns of rainfall and temperature, on which agriculture mainly depends. Global environmental changes will have many effects on agricultural productivity. Nearly three-fourth of the population belongs to the weaker sections, some of whom are marginal and small farmers whereas others belong to the working class. Thus, they are the most deprived sections in India. Several development and welfare programmes were launched since India became a 'Sovereign Republic' to ameliorate their conditions, as mandated by the Constitution. But, the beneficial impact of this is only marginal.

### **Performance of Indian Agriculture:**

India is the second largest producer of food in the world: more than 200 million tonnes of food grains, 150 million tonnes of fruits and vegetables, 91 million tonnes of milk, 1.6 million tonnes of poultry meat, 417 million livestock, and 6.05 million tonnes of fish and fish products. The Indian agriculture has made great strides over the years. The food grain production has increased more than fourfold - from 51 million tonnes in 1950-51 to 212 million tonnes during 2003-04 growing at an annual average rate of more than 2.4 % per annum.

### **Globalization and Agriculture and Rural Marketing:**

Globalization combined with liberalization has led to the decline of public investment in agriculture. In the pre-globalization period, the country's food grain production was 3.5% whereas in the post-globalization period it fell to 1.7%. One factor for this fall is reduction in subsidies given to farmers, which resulted in higher prices of the food grains in the market. On the other, in India the average income of the common man did not increase correspondingly. For example, the wholesale food grain index increased from 179 points to 410 points, whereas the average national income fell from 193 points to 122 points. Thus, the condition of the common man did not improve as expected in the globalized India.

According to latest FAO estimates, Agriculture and Forestry account for 2% of total world energy used. Global land area dedicated to agriculture is 38.5%, and the total world water withdrawal used for agriculture is 95%. Agriculture provides a gift of goods for healthier consumption and exports and manufacturing sectors. The suitable marketing policy system should be there so as to give proper reward or return to the efforts being made by tiller of the soil. Market information is a means of increasing the efficiency of marketing system and promoting improved price formation. Marketing has to be customer-oriented and has to provide benefits to the farmer, transporter, trader, processor etc.

### **Impact of Globalization on rural and Indian Agriculture:**

The impact of globalization will be on rural as well as urban India but will be slow. It will have its impact on target groups like farmers, youth and women. Farmers, today keep in touch with the latest information and technologies. On youth, its impact is on knowledge and information and while on women it still depends on the socio-economic aspects. In fact, the leadership in any product or service is linked to leadership in the rural India except for few lifestyle-based products, which depend on urban India mainly. Broadly, globalization impact on rural and agriculture marketing potential in India are mainly: increased income and purchase power, accessibility of market, consumer behavioural changes, competition in urban markets, new employment opportunities, green revolution, better credit facilities through banks etc.

Experts believed that globalization will help to balanced development of agricultural sector, changes would occur in the economic conditions of the farmers, agricultural products would get proper prices, employments would be available in agriculture, rural industries, cottage industries, small industries would start and farmers would be happy but this belief is going to be false. According to the policy of WTO India has to reduce import duty by 50% for agricultural goods till 2008. India has to compete in the field of agriculture in future. Also, India has to import 5% of the domestic market. Out of Indian population 25% people still below poverty line and 60% population depend upon agriculture. The share of agricultural income in gross national income in India 23.6%, in Australia 5%, in Canada 4%, America 3% and England 2% respectively. In India 62% of total agricultural land is depending upon rain water. The technical developments cannot make because the possessed area of land is very little. So the production costs are high. The use of chemical fertilizers is very little in India. It is only 84 kg per hectare in India. But it is 266 kg per hectare, in China, 360 kg in Japan, 519 kg in Belgium. In India the amount of loan provided for agriculture is also very little. Loan for agricultural is provided at the rate of 15% to 16% in comparing with the loan provided for vehicles or houses at the rate of 7% to 8%. The field of watered land in India is 38%. In China 52%, Japan 62%, and in Pakistan it is 72%. Also agricultural product in India is very little. India is the first in the production of legumes, second in the production of ground nut. Rice and wheat and third in the production of tobacco. India tea, coffee, rice, wheat, sugar, tobacco, spice, cashew, sesame, oil,

fruits, and vegetables, meat and fishes as well as imports legumes, milk products, cashew fruits , edible oil, chicken, seeds, etc.

Developed countries are using dumping techniques to keep their superiority in global market. Developed countries are selling their agricultural goods on fewer prices than the competitor and less than its total production cost. It is causing side effects on the developing countries. According to the agreement of WTO it has been decided that the developed countries should give 5% and developing countries should give 10% grants of total value of their agricultural goods. But the developed countries like America, European countries, Japan, South Korea, Canada are given various grants to the agricultural sector. Developing countries have restriction on their agricultural products like import duties and quota. There is no any limitation on the grants given by developed countries to the farmers through green box and blue box. So, developed countries on very low prices. It effects on the agricultural sector and the farmers of developing countries. In 2000-2001 Indian government allowed to export 40 lakes tons wheat but in the international market the prices of Indian wheat are very high so India could export only 3 lakes tons of wheat. The chairman of the World Bank once told that “developed countries give 280 to 300 billion dollars as grants when India gives 45780 cores as grants. In India the grants are less than 4% of the value of agricultural goods. But the WTO tells to reduce the grants, for developed countries are not told about grants.

### **Globalization with a Human Face:**

The government has onerous responsibility, and has to take corrective measures to sec that the reforms are implemented with a human face, so that they give the desired results to the common man. If not, India and its majority population may face dangerous consequences in the future. Some “safety nets” had to be evolved with the implementation of SAP. These could be identified as the following.

1. Protection and development of home market which would be subverted if liberalization of export-import trade were effected.
2. The poor farmers should be protected with subsidies and loans, at least to the subsistence level. Supply of food grains at subsidized prices through PDS is to be continued and further streamlined.
3. The government must take up mass public employment programs through the public sector, where the interests of the farmers and weaker sections can be protected.
4. The poor who are mostly uneducated and low-skilled must be educated and skills imparted to them so that they can face the competition from skilled and well-educated workers, and also become partners in development.

### **Conclusion:**

It is clear with the study that agriculture plays key role in the economy. The government should make policies that benefit all the farmers equally, especially the landless farmers and agriculture labour. The government should make all efforts to create scientific awareness among farmers so that they can withstand the international competition. There is need for technological development land reforms, use of hybrid pesticides, fertilizers and irrigation facilities. The government should try and focus on these problem areas so that can the impact of globalization is favorable for India

agriculture. We cannot afford to export agriculture products at low rates so we must bend our policies according to WTO and benefit our farmers, we need to prepare a draft of strategies on the basis the strategies of developed countries. Farmers should be given training and guidance to start agricultural relating industries. If these remedies are made then Indian Agricultural can excite in the globalization.

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