



THE IMPACT OF GLOBALIZATION ON SOCIO-ECONOMIC GROWTH OF UNDERDEVELOPED STATES AND RURAL ENTREPRENEURS IN INDIA

Ramakrishnappa M¹, Anandamurthy H G², Shobha J³

¹Assistant Professor 'Guest Faculty' (Dep't of Political Science)
GFGC College, HSR Layout, Bengaluru

²Assistant Professor (Dep't of Political Science) Sri Siddaramaiah Law College,
Chikkaballapur District, 562101

³Assistant Professor, (Dep't of Law) Sri Siddaramaiah Law College, Chikkaballapur District, 562101

ABSTRACT

'Globalization' is the making global countries nearer to Foreign relations, diplomacy, trade, finance, governance, rules and regulations, which leads to the increase in interdependence of the countries' political economies around the world, there are UDC's (Under Developed Countries) and the developed economies in the world, we can find more rural areas in the underdeveloped economies compared to developed economies. Moreover most of the countries in the world including India is connected more to each other, by political relations, Economic relations, social and ideological, export and import relations in the especially the immense rise in the flow of capital and the rapid development of world trade and relations. In one way or another, countries all over the world are becoming interconnected on each other. With the influence of MNC'S (Multi National Companies) and FDI (Foreign Direct Investment) and FPI's (Foreign Portfolio Relations) from various nations citizens and the FPI'S from various countries has made India to depend more on foreign exchange rates, balance of payments equilibrium, but globalization has also influenced in most parts of the world where rural entrepreneurs are facing various challenges to overcome the competition from the foreign high quality products, lack of innovations, The study of the research paper explains the investments, constraints faced by the rural entrepreneurs in UDC'S or problems faced by the rural entrepreneurs in India. Globalisation sometimes paves path for good socio-economic relations and can also pave path to bad socio-economic problems in the country.

INTRODUCTION

India has huge advantage in the man power, diplomacy with good foreign relations, but still more than 55% of the Indian population still leave in rural and remote areas, where globalisation has led to rural businessman and the rural investors to rethink their strategy in the modern era of globalisation. India has 7th largest geographical area in the world and has more absolute advantage in growth of service sector, ex: banking and academics, educational services and hospitality, but we have seen lot of foreign invested international educational institutions and international FPI's (Foreign Portfolio Investments), FDI (Foreign Direct Investment) in all of these sectors in India, ex: Gujarat and Maharashtra are the favourite destinations for attracting investments all over the world, even in metro cities like Bangalore, Hyderabad, Mumbai, New Delhi cities have lot of attractions in the investment from the MNC's (Multi

National Companies), it has made the local entrepreneurs and investors in these metro cities have closed their firms and joined to work under MNC's (Multi National Companies), due to heavy competition and imperfect market conditions. Where in the rural entrepreneurs are the major investors in villages and short towns. Indian rural population "percentage of total population present in India was reported at 65.07 % in 2019-2020, according to the statistics of the "world Bank report" so India has to invest more in rural areas. India is one of the top economies in Asia and the world, Most of the underdeveloped economies in the world does not the internet, even most of the resources of underdeveloped economies resources are controlled by the MNC's (Multi National Companies), invested by the developed nations like US, Japan and European nations investors, so the rural entrepreneurs



may face the huge competition from them and market inflexibility.

II. REVIEW OF LITERATURE

Ulrich Beck: “Globalization is not only something that will concern and threaten us in the future, but something that is taking place in the present and to which we must first open our eyes.”

III. NEED OF THE STUDY

1 The globalisation has made the rural economy in Indian rural entrepreneurs to incur loss or to get less demand for their products, due to huge competition from expert foreign products.

2 Globalisation has some positive effect by creating jobs, but due to technical inclusion by the MNC'S in urban areas.

IV. STATEMENT OF PROBLEM

India as a developing economy, is best example for the globalisation impact, before 1991 “LPG” Liberalisation, Privatisation and the Globalisation, there huge quantity of small sellers of primary and tertiary services products and outcomes, but after LPG in 1991, only few strong firms or Industries could sustain, remaining weaker sellers, vendors became the supply of raw materials or semi finished

goods and materials, The statement of problem in the context is difficulties faced by the rural businessman, or the rural investor in the global monopolistic competition or in the global standards. Overall Rural Entrepreneurs in India are facing more uncertainty for balancing the investments and profits in the form of returns,

V. OBJECTIVES OF THE STUDY

1. To increase the Indian government investments in the rural areas and to create more job opportunities in the public sector companies or industries, so that the domination of private MNC'S can be reduced.

2. India has to increase the digitalisation in the rural areas too, as some private companies have already increased digital inclusion.

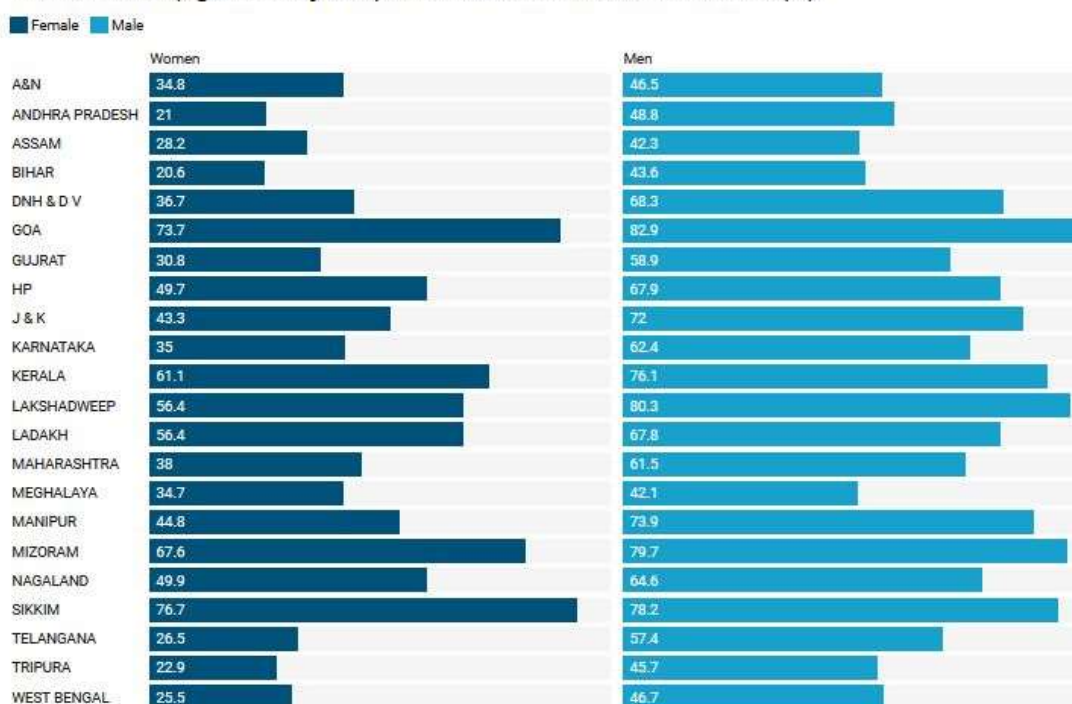
VI. RESEARCH METHODOLOGY

This research output is the outcome of an overview conducted on Globalisation and its socio-economic impact in India, opportunities to develop of rural India, trade and making India self reliant Economy in the Indian context experimental approach, during pandemic situation, it uses secondary data for analysis, discussion with expert part of research work.

DATA AND STATISTICS

- *Internet users or digital use in different parts in India*

Women-Men (age 15-49 years) who have ever used the internet (%)

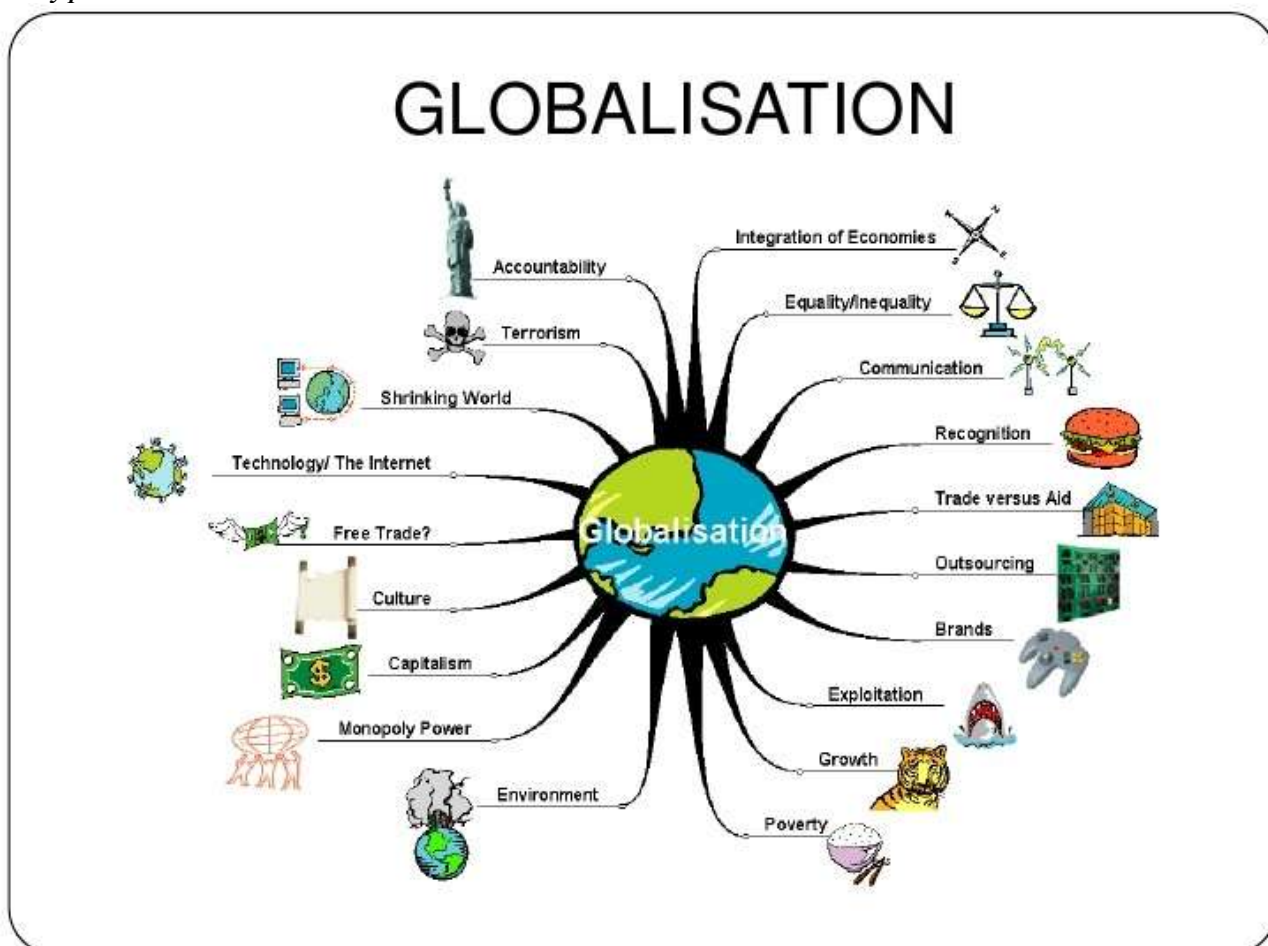


Source: NFHS-5 (2019-20) • Get the data • Created with Datawrapper

We can find those internet users less in backward states or less developed states, union territories in India, even rural entrepreneurs find more difficult to digital implementation in rural areas and to supply

the products online to the customers, ex: in providing hospitality, hotel services and academic services in the rural areas and semi – urban areas.

2. Key points in Globalisation

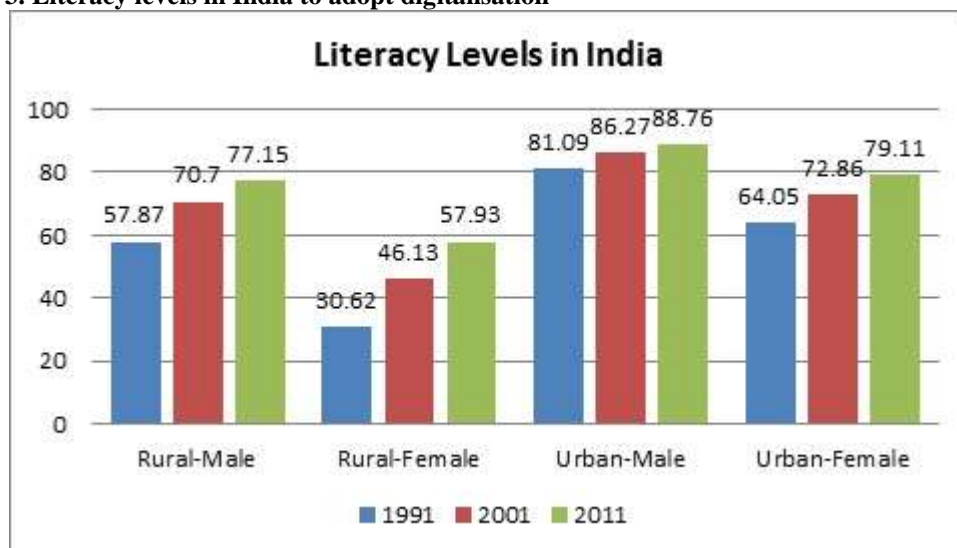


In the graph globalisation indicates the essentials of globalization, like technology, literacy level, capital and the impact of globalisation in India like increase in competition level in markets, increase in brands of

rural and urban products, more role of MNC'S in the rural and the urban India.



3. Literacy levels in India to adopt digitalisation



Literacy level is uneven in India and it can make digital divide in the country, like literacy level between rural and urban areas, as per the recent reports of Government of India, highest literate states are using more digital or online education, online commerce or e-commerce in the world. We can find from the above statistics urban male and female are more literates compared to rural male and female population in India. It is another constraint for the rural entrepreneurs to rethink the strategy.

VII. RESULTS AND DISCUSSION

The result explains the impact of globalisation to the Indian states, or the Indian rural entrepreneurs and the rural economy, socio-economic problems faced by the rural entrepreneurs in rural parts India and flexible political, social economic policies have to be implemented by the fiscal and monetary policies in India.

VIII. FINDINGS

1. Globalization has both pro's and con's for the Indian economy and political growth, it can be benefited for the huge investors or MNC's, who is able to make business by doing innovations and create employment, but the small and medium businessman or entrepreneurs may not be able to make big investment.
2. Globalisation can increase the standard of the products worldwide, but due to political and social issues the small investor or small shop owner may not be able to run the business, and it can decrease the standard of living.

IX RECOMMENDATIONS

1. If India has to reach India's long term goal "self reliant Indian economy and digital India", the rural

development and progress is very essential, otherwise it can lead to parallel political economy.

2. Indian states wealth, resources is not distributed equally, so globalisation is focussing more on profit motive, not political economic welfare, so welfare motive has to be considered in ethical and developmental standards.

X. CONCLUSION

Globalisation has lead to India's major problem in both rural and urban areas is to providing job for the needy, due to unemployment, we can find larger share of population suffering from poverty, ex: Bihar and UP (Uttar Pradesh has larger share of poverty, more over there is less entrepreneurs who like to invest in rural areas in this state, that is the main reason that globalisation can also harm the state in the longer term by increasing unemployment in the rural areas, most of the MNC's in the world are using technology more than the labour by digital implementation in the companies, after 20th century we have seen that more public sector enterprises are sold to private sector entrepreneurs, for giving reason as to increase profit or economic growth, but it can also become difficult to local or domestic companies in India to sell their products. So India has to implement proper digital inclusion and take care of giving subsidies in investment in rural economy for the better growth of the political economy and the commerce in India.

XI. LIMITATION

1. It can be advantage for creating employment for literates and it can cause for competition for rural entrepreneurs and they may fear to take more risks in the national markets.
2. Even these MNC'S are trying to business in some parts of rural areas, creating inflexibility for the rural



entrepreneurs to balance political licence for the company, investment and profit and overall growth of the rural enterprises.

XII. SCOPE

The scope of the study can try to find the economic growth of the rural India. Due to rise in internet users in India and it can provide opportunity for the rural entrepreneurs or investors to invest in rural areas. But it has to be implemented flexibly to rural Indian areas and increase the standard of living of the Indian population also. Indian government can take initiatives to provide GI “Geographical Indications” to the rural products in Indian products, ex: Mysore silk, Coorg Orange etc. Now these products can be sold at globally, if it has ‘GI tag’. So India can consider in export of these kinds of products.

XIII. REFERENCE

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