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IMPACT OF GLOBALISATION ON AGRICULTURAL SECTOR OF INDIAN ECONOMY

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ABSTRACT

Agriculture sector is the mainstay of the rural Indian economy around which the existing pattern of social equity. The liberalisation of India's economy was adopted by India in 1991. Facing a severe economic crisis, India approached the IMF for a loan, and the granted what is called a 'structural adjustment' loan, which is a loan with certain conditions attached which relate to a structural change in the economy. The important objectives of the study is to study the impact of Globalisation on Agricultural Sector and to know the Trend and shares of Agricultural products in Export from India. The study on Impact of Globalisation on Agricultural sector of Indian economy is exclusively based on the secondary data only. The secondary data collected from the Economic Survey Reports and Hand Book of Statistics on Indian Economy, referred journals. In 1990-91 the growth rate of agricultural sector in nineties was fluctuated a lot. Agricultural growth rate was 5.6 per cent in 1990-91 which became -5.4 per cent (negative) in the next year. The highest agricultural growth rate we achieved during 2006-07 at 16.7 per cent. In 2014-15 the agricultural growth rate is 15.9 per cent. The share of agriculture in the GDP is only 17 per cent. Globalisation has both positive and as well as negative impact on various sectors of Indian economy. So, globalisation has taken us a long way from 1991 which has resultant in the advancement of our country.

KEYWORDS: Globalisation, Liberalisation and Agricultural growth.

INTRODUCTION

Agriculture sector is the mainstay of the rural Indian economy around which the existing pattern of social equity. The liberalisation of India's economy was adopted by India in 1991. Facing a severe economic crisis, India approached the IMF for a loan, and the granted what is called a 'structural adjustment' loan, which is a loan with certain conditions attached which relate to a structural change in the economy. Essentially, the reforms sought to gradually phase out Government control of the market (liberalisation), private, public sector organisations (privatisation), and reduce export subsidies and import barriers to enable free trade (globalisation). Globalisation has helped in raising living standards, alleviating poverty, assuring food security, generating wider market for expansion of industry and services and making substantial contribution to the national economic growth. Since agriculture continuous to be a

tradable sector, this economic liberalisation and reform policy has for reaching effects on, Agricultural exports and imports, Investment in new technologies and on rural infrastructure, Patterns of agricultural growth, Agriculture income and employment, Agricultural prices and Food security.

Liberalisation of agriculture and open market operations will enhance competition in "resource use" and "marketing of agricultural production", which will force the small and marginal farmers to resort to "distress sale" and seek for off-farm employment for supplementing income.

OBJECTIVES OF THE STUDY

Following are the main important objectives of the study. They are as follows:

1. To study the impact of Globalisation on Agricultural Sector

2. To know the Trend and shares of Agricultural products in Export from India

METHODOLOGY OF THE STUDY

The study on Impact of Globalisation on Agricultural sector of Indian economy is exclusively based on the secondary data only. The secondary data collected from the Economic Survey Reports

IMPACT OF GLOBALISATION ON AGRICULTURE SECTOR

The first objective of the study is to find out the impact of globalisation on agriculture sector.

Table No: 1 Agricultural growth of India during nineties

Year	Agricultural Growth Rate (%)
1990 - 1991	5.6
1991 - 1992	-5.4
1992 - 1993	13.7
1993 - 1994	-1.2
1994 - 1995	2.5
1995 - 1996	-3.7
1996 - 1997	-0.8
1997 - 1998	21.4
1998 - 1999	2.1
1999 - 2000	3.8
2000 - 2001	6.6
2001 - 2002	-0.7
2002 - 2003	13.6
2003 - 2004	13.4
2004 - 2005	10.5
2005 - 2006	14.3
2006 - 2007	16.7
2007 - 2008	15.3
2008 - 2009	14.2
2009 - 2010	13.7
2010 - 2011	14.1
2011 - 2012	14.8
2012 - 2013	15.3
2013 - 2014	15.6
2014 - 2015	15.9

Source: Datt, Ruddar and Sundharam, K.P.M. (2014) 'Indian Economy'

The above table shows that the growth rate of agricultural sector in nineties was fluctuated a lot. Agricultural growth rate was 5.6 per cent in 1990-91 which became (negative) - 5.4 per cent in the next year, it was the lowest agricultural growth rate. In 1992 - 93 agricultural growth rate reached to 13.7 per cent. But it was declined at -1.2 per cent in 1993-94. During 1997-

and Hand Book of Statistics on Indian Economy, referred journals like Southern Economist, Kisan World, Economic and Political Weekly, Yojana, etc. The period of study is from the year 1991-2015. The statistical tools used in the present study are the collected data in the form of tables and percentage changes.

98 the agricultural growth rate increased at high position in 21.4 per cent. In 2001 - 2002 the growth rate is negatively at -0.7 per cent. It is the lowest position in agricultural growth rate. In 2006-07 the growth rate in agricultural sector was increased at 16.7 per cent. It is the highest position. In 2012 - 13 the agricultural growth rate was decreased at 15.3 per cent.

The second objective of the study is to find out the trend and shares of agricultural products in export from India.

Table No: 2 Trend and shares of Agricultural products in Export from India

Year	Agricultural and allied products in Total exports
1990 - 1991	11.41
1991 - 1992	10.88
1992 - 1993	11.21
1993 - 1994	16.06
1994 - 1995	11.99
1995 - 1996	10.88
1996 - 1997	18.56
1997 - 1998	17.41
1998 - 1999	18.68
1999 - 2000	15.68
2000 - 2001	10.04
2001 - 2002	13.9
2002 - 2003	14.7
2003 - 2004	17.6
2004 - 2005	15.4
2005 - 2006	19.6
2006 - 2007	10.44
2007 - 2008	11.05
2008 - 2009	9.23
2009 - 2010	13.08
2010 - 2011	11.23
2011 - 2012	11.09
2012 - 2013	10.31
2013 - 2014	10.57
2014 - 2015	11.01

Source: Central Statistical Organisation (CSO) and Department of Agriculture and Cooperation.

The above table shows that overall share of agricultural exports to total export showed declining trend, mainly due to sharp increased in the export of non-farm commodities even though the quantum of agricultural exports have also increased considerably. During 1990-91 the agricultural products in total exports is 11.41 per cent. But it was declined 10.88 per cent at 1991-92. In 1993-94 the total exports of agricultural products was 16.06

per cent. But it was declined in 1995-96 at 10.88 Per cent. In 1998-99 it was increased at 18.68 per cent. During 2005-06 the total exports in agricultural products was 19.6 per cent. It is the highest position. But it was declined at 2008-09 in 9.23 per cent. But it was slowly increased and decreased position. In 2014-15 it was 11.01 per cent in total export of agricultural products.

**Table No: 3
Globalisation and Agricultural Sector**

Agricultural production	1990-91 to 2000-01	2000-01 to 2014-15
1. Food grains	3.1	1.66
a) Rice	3.3	1.79
b) Wheat	4.3	3.04
c) Coarse cereals	1.2	0.06
d) Pulses	3.0	-0.58
2. Oil seeds	7.1	0.66
3. Sugarcane	4.6	2.62
4. Cotton	3.4	0.92
5. Jute & Mesta	1.2	0.7
6. Index of Agricultural production	3.8	1.73

Source: Datt, Ruddar and Sundharam, K.P.M. (2014) Indian Economy

The above table shows that the agricultural production in 1990-91 to 2000-01 it was declining stage. The food grains like rice is 3.3 per cent, wheat is 4.3 per cent coarse cereals is 1.2 per cent and pulses is 3.0 per cent in 1990-91 to 2000-01. But 2000-01 to 2012-13 the all food grains are slowly increased and decreased stage. During 1990-91 to 2000-01, the other agricultural production like oil seeds, Sugarcane, Cotton and Jute & Mesta was slowly decreased. But it was increased in 2000-01 to 2012-13 the Sugarcane is increased at 2.62 per cent.

FINDINGS OF THE STUDY

In 1990-91 the growth rate of agricultural sector in nineties was fluctuated a lot. Agricultural growth rate was 5.6 per cent in 1990-91 which became -5.4 per cent (negative) in the next year. The highest agricultural growth rate we achieved during 2006-07 at 16.7 per cent. In 2014-15 the agricultural growth rate is 15.9 per cent. The agricultural and allied products in total exports showed declining trend. It was greatest issue in the world. In 1990-91 the export is 11.41 per cent and 2005-06 it was high position at 19.6 per cent. In 2014-15 the export is 11.01 per cent. It is the lowest one. The agriculture production in 1990-91 to 2000-01 it was decline stage. The food grains i.e., coarse cereals declined for 1.2 per cent. But wheat production is increased at 4.3 per cent. In 2000-01 to 2012-13 the food grains has declined. The oil seeds, sugarcane, cotton and jute etc. are slowly decreased in 1990-91 to 2000-2001 to 2014-15.

SUGGESTIONS

1. Boosting agricultural growth through diversification and development of agro processing.
2. Expanding industry fast by at least 10 per cent per year to integrate not only the surplus labour in agriculture but also the unprecedented number of women and teenagers joining the labour force every year.
3. Developing world class infrastructure for sustaining growth in all the sectors of the economy.
4. Global Corporation are responsible for global warming, the depletion of natural resources and the production of harmful chemicals and the destruction of organic agriculture.

CONCLUSION

India gained highly from the LPG model as its GDP increased to 9.7 per cent in 2014-2015. In respect of market capitalisation, India ranks fourth in the world. But even globalisation, condition of agriculture has not improved. The share of agriculture in the GDP is only 17 per cent. Globalisation has both positive and as well as negative impact on various sectors of Indian economy. So, globalisation has taken us a long way from 1991 which has resultant in the advancement of our country. This is an excellent attempt to show various effects of globalisation on different sectors of the economy, via, primary sector, secondary sector, and tertiary sector. The researcher has put together a wealth of information that will help the reader to understand the merits and demerits of the present process of globalisation.

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