



THE IMPACT OF LIBERALIZATION, PRIVATIZATION, AND GLOBALIZATION (LPG) ON INDIAN AGRICULTURE

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Article DOI: <https://doi.org/10.36713/epra18354>

DOI No: 10.36713/epra18354

ABSTRACT

The study examines the influence of Liberalization, Privatisation and Globalization (LPG) reforms on agricultural sector in India since their initiatives in 1991. The study explores evolving disputes and government measures in providing solution for the problem faced by the marginal and small-scale agriculturists. The research objective is to examine the influence of LPG on export of agricultural items, Technological innovations, Geographical disparities along with ecofriendly practices. The study examined the strengths such as enhancement in export of agricultural products and diversification of harvests, weaknesses are identified as geographical differentiation and reduction in public funding these aspects are analysed through SWOT analysis. Encouragement or opportunities on LPG reforms includes combination of technological innovations and ecofriendly procedures whereas, threats are identified as financial disparities among farmers and environmental depletion. This complete analysis offers a mixed view of varied influence of LPG on agriculture in India, Proposing the requirement for sustainable approach and higher inclusiveness for agriculture expansion.

KEYWORDS: Liberalization, Privatization, Globalization, SWOT analysis, Indian agriculture, regional disparities, Environmental sustainability, Technological advancements, Government policies.-----

1. INTRODUCTION

In the year 1991, India has conveyed the concept of liberalisation, privatisation and globalization (LPG) structure which had intense influence on the nation's financial and socio-economic view which also included agricultural segment. India's agriculture structure has confronted lot of disputes while implementing this transformation but when it comes to other industries they initiated to expanding in this era. The main idea behind the implementations of LPG is to provide Indian markets access to global markets which facilitates divesting public divisions and external investments in order to facilitate expansion and improvement. Even though there are various benefits availed because of this LPG aspect but agricultural division confronted both advantages as well as disadvantages as some of the sectors of Indian agriculture system has demonstrated favourable aspects and some of the areas came up with unfavourable aspects which provided expansion in particular area and decline of other areas.

LPG policies have favourable performance on Indian agriculture which is evidenced as it has increased exports of agricultural products and harvest expansion. The growth in the export of agricultural crops has led to the expansion of cropping patterns with the significant transform to increase in value of horticultural harvests which includes fruits and vegetables specifically in states like Maharashtra. India is been promoted as highest exporter of farm resources which has exported around \$53.15 billion in the year 2022-2023 which included products like spices, rice, Marine and sugar products. With the help of LPG, the area has combined with the international trade places which has provided new opportunities for agriculturists providing increase in harvests [8], [5].

In India, geographical areas like Punjab, Gujarat and Maharashtra are getting more advantages because of their market research and infrastructure facilities which is benefited from the LPG policies on agriculture aspects which is distributed across these regions. Areas like Jharkhand, Bihar and Odisha are unable to reach these markets because of their inappropriate infrastructure and ineffective markets combination. Regional disparities also evidenced when it comes to international direct investment for food processing which is allied with these divisions which modernise supply chains which is also concentrated on specific regions [2], [7].

LPG system has aided towards high reduction in the farming division in comparison with economy as a whole. Currently agriculture GDP growth is around 18-19% in comparison with the GDP growth of the year 1990 where growth is around 30%, while all the divisions of Indian economy are growing [10]. In LPG structure societies



investment in enhancement of village infrastructure, outreach services and research on agriculture is been reducing. Small scale farmers and underdeveloped farmers are struggling to face these policies. The Increasing expense of internal crops such as fertilisers, pesticides seeds which is also enhanced by the long-lasting withdrawal of government subsidies agreed as disputes faced by farmers [4].

To sum up LPG policies in India which is combine into international farm trade places, the advantages came up with various disputes which includes graphical discriminations, increasing income inequalities and eco-friendly concerns among agriculturists making up with these issues which requires an approach that inculcate eco-friendly practices in agriculture, training programmes to support marginal and small-scale farmers and equitable framework of policies.

2. LITERATURE REVIEW

Research has examined liberalisation can be of great use of it is implemented strategically, government can initiate in aiding subsidies to the structured division that encourages expansion in village regions. Various researchers have analysed the impacts of LPG on agricultural systems in India. Additionally, research reposed how agricultural liberalising commerce can harvest if profits of exports and imports are released [2].

In opposition with this initiative's issues about the influence of strategies of LPG on marginalised agriculturist, focusing on the high internal expenses and decrease in support given by government as harmful for their daily life. Issues relating to the environment was also main theme in studies. Research examined the scope of institutional challenges and non-cost aspects in order to expand agriculture in India [8].

3. METHODOLOGY

The study is based on the secondary information and obtained through the review of current literature. The references is inclusive of Government reports, journal articles and literatures which is been examined the influence of Liberalisation, Privatisation and Globalisation on agricultural sector of India from diverse perspective, such as ecofriendly procedures, financial differences and regional disparities. The current conceptual paper offers understanding of the contradiction and complexities among agricultural division.

4. IMPACT OF TRADE LIBERALIZATION ON INDIAN AGRICULTURE

One of the main elements of LPG reforms was the Liberalization of commerce. The decrease in tariffs on agricultural imports has meant the starting up of export merchandise for Indian agriculture. As an outcome, in agricultural exports India has practiced a notable increase. Agricultural exports in 2022-23 achieved a high record of \$53.15 billion, a considerable hike from \$44.3 billion in the preceding year, as per the latest data. Essential export products consist of rice, spices, wheat, marine products and sugar [8].

India appeared as the largest exporter worldwide because of the significant success in rice exports. The rice export achieved 21.5 million tonnes in 2022, estimated at roughly \$9.6 billion [5]. Specifically in export- aimed states like Haryana and Punjab, this export boom has been operated by beneficial worldwide demand and enhanced infrastructure. The above states with their strong agricultural infrastructure and modern irrigation systems, have gained most from commerce Liberalization.

Changes in the prices of crucial agricultural products have been led by trade Liberalization. The taking away of assessable limitations on imports and the decrease in subsidies have led to variations in the prices of inputs like fertilizers and seeds. This has unequally impacted small and marginal farmers who lack the monetary flexibility to resist such as variables [1]. Altogether, specifically those in less developed areas, although trade Liberalization has introduced new opportunities for agricultural exports, it has also generated difficulties for domestic farmers.

5. TECHNOLOGICAL ADVANCEMENTS AND CHALLENGES

Through biotechnology and modern agriculture tools LPG policies were used as an aspect to bring technological innovations in farming sector. The policies did get some of enhancements in agriculture sector which included modernisation of machineries, innovative water supply structure, high harvesting of diverse seeds. Post reform has also implemented certain new grain varieties in organised sector which are more immune towards disease and insects [6].

Moreover, there are certain disputes such as lack of funding for innovation in research and prolongation assistance. Due to lack of investment during LPG implementation for funding in agricultural division has created lack of spread of new innovation in farming [11]. Small and marginalised agriculturists have faced issues when the government was unable to provide support for them.

6. REGIONAL DISPARITIES IN AGRICULTURAL EXPANSION

Geographic differences are another influence of LPG policies on Indian agriculture. States like Haryana, Punjab and Gujarat have taken lot of advantages of LPG policies which has enabled the hem to access international markets and external investment because of their better infrastructure. Gujarat s Amul diary can be one of the examples where the Amul Cooperative structure achieved its expansion and market reach because this LPG reforms [10].

In opposition states like Jharkhand, Bihar and Odissa where lagging because of low infrastructure facilities which lead them into lower foreign investment and international reach. In these states one can find poor agricultural facilities resulting into the lower expansion of farming sector specifically in rural areas. Eventually unequal distribution of assets and encouragement led into financial disparities among agriculturist.

Geographical distribution may cause decrease in productivity of all innovation implementation and agriculture performance. In central and eastern areas where there is low rainfall farmers rely on cultural methods which reduces financial and productivity performance. In opposition states loke Punjab and Haryana where water supply facilities are advanced, they implement water intensive harvests like wheat and rice which enhances the productivity [9].

7. ENVIRONMENTALLY CONCERNS

The LPG policies has caused disputes regarding environment specifically more importance is given to irrigation dependence tops and better value harvests. Punjab and Haryana are planting wheat and rice which requires high water consumption which leads to groundwater exhaustion. Continuous extraction of subsurface water for water supply may be harmful as it reduces water tables which can cause disputes in enduring sustainability in these areas. V Ramachandra 2009.

In analysis of these environmental disputes the government has initiated diverse reforms to encourage ecofriendly agricultural procedures. The Per Drop More Crop initiatives on the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) encourages minor water supplies and effective water management procedures to decrease water conservation in farm land[9]. The implementation of these procedures is low specifically between marginalised and small-scale farmers.

8. SWOT ANALYSIS OF THE IMPACT OF LPG ON INDIAN AGRICULTURE

8.1 Strengths

One of the important strengths of LPG on Indian farming sector is it encourages agricultural exports. Due to liberalisation India has exported large of harvests like wheat, rice and other commodities and became the international leader in various harvests. Examples may include export of rice, wheat, spices and various marine products. In 2022-2023 India's exports has reached through around \$53.15 billion [8], [5].

Secondly technological innovation which is led by privatisation in various farming divisions, specifically in industry of seeds, which invented new innovative and better harvesting seeds varieties, which in return enhances productivity in areas where implementation rates are more. [6].

8.2 Weaknesses

Firstly, the advantages of LPG is distributed unevenly. Locations with high and better infrastructure facilities like Punjab and Haryana are taken full advantage of it in comparison with states like Bihar and Jharkhand where they struggle for market reach With the use of more water supplies the ground water starts to deplete which leads to degradation in environment, specifically in areas like Haryana and Punjab [7].

8.3 Opportunities

LPG reforms have initiated with external investment in areas like supply chain, food processing, reduction in post-harvest loss, storage facilities specifically findings from Amazon and Walmart [2].

Combination of technology is another encouragement for Indian farmers as it creates more implementations of innovation like precision farming and biotechnology, that provides the encouragement for improved performance and asset effectiveness in agriculture [6].

8.4 Threats

Financial inequality between agriculturist, the increasing gap between better developed areas and those who are lacking in advancement are facing disputes. Marginal farmers face issues relating to the competition on the market and cost fluctuations [4].

Ecological decline is another aspect, increase usage of artificial chemicals and high usage of ground water may threaten enduring ecofriendly p Indian agriculture practices. These disputes are intensified by proper farming procedures promoted by LPG policies [7].

The expansion of agriculturist in unstable international trades can be resulting in influence on farm income and price instability specifically within small scale farmers [2].

9. CONCLUSION

Considering a combination of favourable outcomes and ongoing difficulties, the effect of Liberalization, Privatization and Globalization (LPG) on Indian agriculture has been both reframing and composite. Specifically in products such as rice, spices, wheat and marine products if considered on the useful side, LPG has made possible a notable growth in agricultural exports. In 2022-2023, \$53.15 billion a high record of agricultural exports has been achieved, an understandable sign of India's expanding combination into the world-wide agricultural merchandise. The main receivers of this export growth are the states like Punjab, Maharashtra and Haryana which had full grown infrastructure and approach to worldwide markets. With a large area being allotted to high- value crops such as vegetables and fruits, this transfer has also encouraged crop assortment [8].

Nevertheless, the advantages of LPG have been unequally dispersed, and some matter has appeared. Because of insufficient infrastructure, bad market approach and tenacious natural difficulties like flooding many areas, specifically states like Bihar, Odisha and Jharkhand have suffered to gain from LPG reforms. Compared to their counterparts in less developed regions, this has worsened regional discrepancies with rich farmers in better attached areas undergo increased creativity and income expansion. In adjusting to the worldwide market changing, aiming to increasing income inequality within the agricultural zone, Small and marginal farmers in specific, have looked towards expansion of difficulties [7].

Furthermore, LPG has increased ecological concerns. In Punjab and Haryana, the encouragement of water concentrated crops like wheat and rice got merged with the over utilization of chemical fertilizers and pesticides, has directed to decreased biodiversity degradation of soil, and ground water consumption. These applications are unsupportable and become an important threat to the lasting existence of Indian agriculture. The government has replied with the actions such as the "Per Drop More Crop" scheme under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), but the assumption sustainable operations has been slow, specifically among smallholder farmers [9].

In conclusion, LPG improvements have had an important, albeit unequal, effect on Indian agriculture. They have established new difficulties, combining regional imbalances, eco- friendly degradation, and inadequate public investment. While they have also generated opportunities for exports, assortment and growth. It is crucial to embrace a steady approach that combines technological creativity, sustainable operations and strong government support, specifically for small and marginal farmers, to make sure the lasting sustainability and completeness of Indian agriculture. The full possibility of LPG driven reforms be noticed across India's various agricultural landscape only through such a thorough plan of action.

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