

# Globalization and Its Impact on Poverty in India: Present Scenario

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## 1. Introduction

While globalization is not a new phenomenon, the current phase has distinctive features. There is the intensification of economic, political, social and cultural relations across borders. There is the transformation of the world economy, epitomized by the predominance of financial markets. And since the end of the Cold War, there is the relentless march of US-led values, through the agenda of neo-liberal economics, governed by an ideology and orthodoxy about the inevitability of the market dominating both polity and society. The dichotomous nature of globalization with its inclusion/exclusion dynamics is being increasingly accepted as a reality. In fact, the exclusion of large sections of the population from the benefits of globalization has been 'recognized as one of the major challenges of the 21st century. Kofi Annan former UN Secretary, in his Report as the UN secretary-General to the UN Millennium Assembly, stated that billions of people all over the world are being left behind in squalor by the forces of globalization.

## 2. Back ground of the Study

The trends and consequences of globalization need to be understood from a human rights perspective. One area where the impact of globalization in human rights is very clearly visible is in 13 industries. It would not be an exaggeration to state that globalization has resulted in the violation of the fundamental right to work. With mergers and acquisitions and the consequent restructuring of operations, multinational companies, for example, are becoming leaner and meaner, and generating unemployment in the process. The capitalist mantras of 'privatization' and 'good governance' are producing similar consequences. Statistics from ILO reports document the fact that at least one-third of the world's working population is either under-employed or un-employed, and what is worse, the figures are steadily going up. Keeping in view the various dimensions of the rapid growth of population, the growing incidence of poverty and unemployment in rural areas, priority was given in India's Five-year Plans for the removal of poverty and unemployment

## 3. Objectives

The aim of the present paper is to address the following objectives:

1. To show the dimensions of the rural poverty in India
2. To analyse the large farmers converted into small and marginal farmers in India.
3. To examine the causes and measures of rural poverty in India.

## 4. Methodology

This paper is mainly based on the secondary data. The secondary data has been drawn from various sources such as Government of India, All India Report on Agricultural Census, 2015-16, Ministry of Agriculture New Delhi, Directorate of Economics and Statistics, Government of Karnataka, Bangalore, 2015-16, Agriculture Statistics at a Glance, 2015., Ministry of Agriculture, New Delhi; Planning Commission Reports, World Bank Report; books and journal etc.

## 5. Findings and suggestion

Dimensions of rural poverty the steady growth of agricultural labourers is one of the indicators of the growing incidence of rural poverty in India. Over time agricultural laborers have emerged into a major class of workforce who are mostly landless, depending purely on wage-paid employment in agriculture, mostly seasonal in nature. The number of agricultural laborers has increased from 17.26 million in 1901 to 27.50 million in 1951, 31.52 million in 1961, 47.49 million in 1971, 55.50 million in 1981, 74.5 million in 1991 and 107.44 million in 2015. The percentage of agricultural laborers to the total workers has increased from 15.59 percent in 1901, 19.72 percent in 1951, 26.15 percent in 1991 and to 45.62 percent in 2015. This indicates that the growth in the number of agricultural laborers has been faster than the growth of the population. It is well known that agricultural labourers together with small and marginal farmers, rural artisans constitute the hard core of rural poverty

Table : 1 Estimates of Poverty in India as per the latest NSSO 65<sup>th</sup> Rounds:

Category	2004-05	2015-2016
By Uniform Recall Period (URP) Method Rural	3.73	28.3
All India	36.0	27.5
By Mixed Recall Period (MRP) Method	2004-05	2015-16
Rural	27.1	21.8
All India	26.1	21.8

Source: Government of India (2015-16) Economic Survey 2015-16, New Delhi, Oxford University, Press P. 260.

**Suggestions:**

The new technology reduces the cost of food production and thereby lowers the food prices and increases the demand for labour. As food is the major consumption item for the poor, and because employment is the principal source of their income, the effects of the new technology are highly favorable to the poor. Increased agricultural production and lower prices of food grains tend to reduce rural poverty.

A situation in which a higher incidence of poverty is associated with the introduction of cost reducing new technology cannot be completely ruled out. The introduction of new technology is sometimes associated with past levels of intense poverty even while it causes a reduction in such poverty. In regions where non-farm employment is not growing rapidly, population growth tends to neutralize the favorable effects of new technology.

In India, for various reasons acceleration in the pace of technological change in agriculture in different regions may not be possible. Therefore, under the existing circumstances emphasis has to be on diversifying the rural economy through the encouragement of allied industries — animal husbandry, forestry and so on. Further, in the future rural industrializing has to be provided much higher priority than what it received in the past. The rise in agricultural production and income levels per head would lead to some decline in rural poverty. The concept of poverty has been broadened. This is reflected in the move from a physiological model of deprivation to a social one,

and subsequently, in the increasing attention towards the issues of vulnerability, inequality and human rights.

The causal structure has been broadened to include a range of causal variables which previously received little attention. This has led to the increasing importance afforded political, social, cultural and coercive capital which figure centrally in the governance approach to poverty. The operational consequence is to shift attention from interventions in human and economic capital to interventions focusing on empowerment, social organization, legal reform, human rights, etc. Three dimensions of globalization serve to accentuate the importance of the expanded causal framework to poverty reduction: (i) the spread of democracy and human rights; (ii) the spread of 'Western' culture and the resultant 'cultural' critique; (iii) the globalization of conflict and implications for poverty.

**6. Conclusion**

There have been at least three main changes in thinking about poverty which have gained increasing currency over the past decade. The causal structure has been deepened to focus on flows of individuals into and out of poverty, rather than on changes in the stock of poverty. This has led to a focus on transitory rather than chronic poverty and on shocks, stresses and individual community response.

**References**

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