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RESEARCH ARTICLE

GLOBALIZATION AND THE COMMON MAN: A STUDY OF EFFECTS OF GLOBALIZATION ON THE INDIAN COMMON MAN

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Abstract

The paper deals with the effects of Globalization in India in 1991 on the lower occupational strata, jobs, professions and government schemes.

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Introduction: -

What is Globalization?

Globalization is the process of increased connection between countries and interdependence in terms of their economies, cultures, labour and political interactions brought out as a result of trade, investment, technology, cultural assimilation and exchange of information. Globalization took place in order to facilitate international trade and movement by building economic partnerships between countries. This process has led to many benefits in developing countries like India, such as an increased flow of capital, superior productive efficiency, an increased GDP, cross cultural exchange and many more.¹ (These will be discussed in other areas too which will be referred in latter discussions of the paper). However, in focusing on the benefits of globalization, we often tend to ignore the other side of the story. This research paper will focus on 3 key questions-

Has Globalization actually led to a better life for the people belonging to the lower occupational strata in India during Globalization?

How have different occupations and skills in India appeared redundant following Globalization?

How has the process Globalization impacted the policies of the Government of India?

Globalization in India

In order to understand why India went through the process of globalization, we must first have a brief overview of what the Indian Economy was like before opening up.

India before Globalization

Ever since India's independence in 1947, the economy was principally based on equity in distribution. Designed by Mokshagundam Visvesvaraya on 15th March 1950, the first 5-year plan was presented in the Parliament which promoted the idea of a self-reliant and closed economy. The economy was influenced much by the USSR. This strict closed economy resulted in many state-led capital-intensive industries in India and very few consumer goods being produced. Most foreign imports were barred and the tariffs placed on them were unimaginably high.² Intermediate goods like plywood, crude oil, steel and paint had an import tax of 123%, capital goods like machinery had a 115% tax and all consumer goods imports had a tax of 129%. This resulted in incredibly low imports. India's domestic industry accounted for 100% of all the consumer goods produced.³

Inefficient bureaucracy and the restricted economy of India led to an economic growth rate of 3-4% pa, which was very low. Poverty levels remained high- over 50% of rural India remained in the BPL (Below Poverty level) between 1970 to 1980. The Per Capita Income in India was only 265 USD in 1980. Situations worsened by 1991 because the Indian economy was in a financial crisis.⁴

Economic Crisis of 1991 in India

In 1991, the Indian economy had gone through a major economic crisis. The foreign currency reserves of India had dropped below \$1 billion. This was due to a combination of International and Domestic factors. International reasons play a major part in the Economic Crisis-

Until 1985, India shared close relations with the Soviet Union and the Eastern European countries which were a part of the Eastern Bloc. However, post 1985, the reforms by the Premier of USSR, Mikhail Gorbachev, led to the Eastern European countries declaring independence and breaking away from the USSR. In 1991, the Russian SSR, which

² Toppr Website, <https://www.toppr.com/ask/question/who-is-the-father-of-indian-economic-planning/>

³ India Before 91 Website- webpage on License Raj,

<https://indiabefore91.in/license-raj#:~:text=Key%20features%20of%20the%20License%20Raj%3A&text=Businesses%20had%20to%20have%20government,was%20around%20125%25%20in%201960>

⁴ Macrotrends, <https://www.macrotrends.net/global-metrics/countries/IND/india/unemployment-rate>

was the largest state of the USSR, declared its independence and broke away from the USSR, which ultimately dismantled the Soviet Union. Therefore, temporarily India had lost its foreign relations with Russia. India also did not share very close relations with the USA until 1991, thus found herself isolated from the rest of the world. On top of that, the crisis in the gulf region (Gulf War Jan-March 1991) led to a problem for India, since a huge proportion of oil imported by India was from the gulf countries, which then had to be stopped.⁵ This led to India having less than 2500 Crore Rupees in reserves which could only sustain India 3 weeks of foreign imports. India's external debt also increased massively from 194.7 Crore Rupees in FY 1980-81 to 1229.50 Crore Rupees in FY 1990-91.

To make matters worse, due to the failure of the coalition government, India had to shift its focus from the Economy to the elections because the ruling party of India was very weak and did not have enough representatives in the Parliament. Thus, at a time when the government should have focused on the economy, it had to focus on general elections. The probable Prime Minister Rajiv Gandhi was also assassinated in a bomb explosion in Tamil Nadu which led to confusion as to who the ruling party of India was, resulting in the IMF unable to grant a loan to India.⁶

Globalization of India

This was when Dr Manmohan Singh was appointed as Foreign Minister of India, who solved the problem by opening up the Indian Economy. He ended the 'License Raj', where companies had to undergo huge paperwork and complications for permission to establish an industry in India and also gave a 51% allowance for foreign companies to invest in India. Big companies could then freely start their own businesses in India without having to take permission from the government. To increase import value, Dr Manmohan Singh also made the value of the INR fall by 20%, which made the recovery of the Indian Economy possible. All these events led to the Globalization process in India. Foreign Investors poured in, IT sectors developed, consumers had a huge variety of goods to choose from and the average growth rate increased from 3.5% per year to 9.5%. India's GDP per capita from \$304 in 1991 to \$1590 in 2015. India's GDP went through a huge increment between 1991 to 2015 as well, with it increasing from \$266 Billion to almost \$3.5 Trillion in 2015.⁷

⁵ India Before 91 Website, <https://indiabefore91.in/1991-crisis>

⁶ Association for Diplomatic Training,

<https://adst.org/2015/05/reap-the-whirlwind-the-assassination-of-rajiv-gandhi/>

⁷ Toppr Website,

<https://www.toppr.com/guides/economics/globalisation-and-the-indian-economy/globalisation-and-the-indian-economy/#:~:text=Manmohan%20Singh,framed%20the%20economic%20liberalization%20proposal>

Effect of Globalization on the lower strata of India: -

We have all heard of the positive effects of globalization on the macroeconomy of a country and its benefits on the upper and middle class. Now, we shall look at the effects of globalization on the lower occupational strata of Indian society.

Who falls under the “lower class” of the Indian society?

As per social scientists, the lower class generally consists of 3 distinct professions- low level service employees, manual labourers and the unemployed. Lower class people work in easy filled employment professions that offer very little economic satisfaction and have less “prestige”.⁸

Employment

Low level service employees: Between 1991 to 2015, there has not been adequate change in giving proper employment to this section of the society. In India, this section consists of primarily domestic workers like housemaids, cleaners and janitors. Since the liberalization of the Indian economy, there has been a 120% increase in the number of domestic workers in India. Domestic workers are present in all states in India; however, they are most prominent in the states of Bihar, Jharkhand, UP and Assam. Between 1931 to 1971, the number of such domestic workers decreased from 2.7 million to only 67000. However, this figure went up to 14.1 million in urban India in 2001 and 25 million in 2011. These low-level service employees do not have any official job, and therefore the amount of money they earn is very rarely recorded. Their average income is between 5000 to 15000 INR per month by working in multiple houses. In rural India, this figure may be between 3000 to 8000 INR. Working hours for domestic maids may be 35 to 40 hours of housekeeping per week. Many such workers earn below the minimum wage set by the Indian Government (5340 INR per month).⁹ Most low-level service employees are hired by families for domestic household work, and the government has

⁸ LibreTexts Website,

[https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjphaLC5dmAAxUN1jgGHdzXACsQFnoECA4QAw&url=https%3A%2F%2Fsocsci.libretexts.org%2FBookshelves%2FSociology%2FIntroduction_to_Sociology%2FSociology_\(Boundless\)%2F09%253A_Stratification_Inequality_and_Social_Class_in_the_U.S.%2F9.03%253A_The_Class_Structure_in_the_U.S.%2F9.3F%253A_The_Lower_Class%23%3A~%3Atext%3DDefining%2520the%2520Lower%2520Class%2520lower%2520class%26text%3DWhen%2520used%2520by%2520social%2520scientists%2Cto%2520as%2520the%2520working%2520poor.&usg=AOvVaw2ojbsIyr1&opi=89978449](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjphaLC5dmAAxUN1jgGHdzXACsQFnoECA4QAw&url=https%3A%2F%2Fsocsci.libretexts.org%2FBookshelves%2FSociology%2FIntroduction_to_Sociology%2FSociology_(Boundless)%2F09%253A_Stratification_Inequality_and_Social_Class_in_the_U.S.%2F9.03%253A_The_Class_Structure_in_the_U.S.%2F9.3F%253A_The_Lower_Class%23%3A~%3Atext%3DDefining%2520the%2520Lower%2520Class%2520lower%2520class%26text%3DWhen%2520used%2520by%2520social%2520scientists%2Cto%2520as%2520the%2520working%2520poor.&usg=AOvVaw2ojbsIyr1&opi=89978449)

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Sns6S9snxVeJ-

⁹ Lahiri, Tripti. Maid in India, 2017; Saldanha, Alison. “The World of India’s Domestic Workers”, The Week. October 1, 2017 very little ability to help these people come out of their poverty because of a lesser control over the market due to globalization.

Manual Labourers:

This consists of labour-intensive workers like rickshaw pullers, fishermen, construction workers, workers in brick kilns, etc. Since the liberalization of the Indian Economy, employment in this field has multiplied rapidly. In this research paper, we shall study the demography, education status, daily/monthly income, working hours, housing type, common diseases and access to medical facilities and reason for their profession separately for the following occupations-

Rickshaw Pullers

The city of Aligarh, Uttar Pradesh has been chosen for this profession. This is primarily due to Aligarh being an unplanned city with a high population density, giving rise to many narrow streets and thus resulting in the operation of many rickshaw services.

Demography:

45% of Rickshaw pullers in Aligarh are aged between 20 to 30 years of age, 25% between 30 to 40 years, 14% between 41 to 50 years and the rest are above 50 or below 19 years of age.

Education status:

68% are illiterate, 24% have primary education, 4% have middle education while only 3% completed secondary education.

Income:

36% have a daily income of 101 to 150 INR, 23% earn between 50 to 100 INR, 15% earn between 151 to 200 INR, 14 % earn less than 50 INR and only 12 % earn up to 250 INR.

Working hours:

Majority of 38% work over 10 hours per day, 30% work 8 to 10 hours, 18% work between 5 to 7 hours and only 14% work for less than 5 hours.

Housing Type:

34% live in houses made out of mud and straw, 32% live in solid concrete houses while the rest live in slums.

Common Diseases:

Cough and cold, joint, back and chest pain and asthma are the most common diseases.

Access to Hospitals:

Poor access to medical facilities due to inability to pay for high costs in hospitals. Private healthcare is out of reach, government hospitals are also sometimes too expensive for their treatment.

Reason for choice of profession:

22% due to unemployment, 18% due to poverty, 12% due to lack of skills, and the rest because of illiteracy, large family size, debt, and other reasons.¹⁰

[All data given above is based on field survey in 2010]

Construction Workers

Globalization led to a huge increase in the demand for construction works. Construction of buildings and towers in the urban cities had contributed to 5% of India's GDP between 1999 and 2000, which led to a great increase in the number of men required for this occupation. Before globalization, less than 5 million men were employed here, however by 2010 this increased to 44.10 million and in 2017, the figure was around 74 million.¹¹

The city of Varanasi, Uttar Pradesh, has been chosen for this profession because of huge influx in construction activities in recent times.

Demography:

Majority of 30% of all the construction workers are aged between 25 and 34, 27% are between 35 to 44, 21% are between 15 and 24, and the rest are all above 45 years of age.

Education status:

41% are illiterate with no education, 15% of the labourers have primary education, 9% have middle education, 5% have completed Class 10 and the remaining have passed 12 and above.

Income:

This is difficult to determine since it depends on the type of construction and the current employment status of the worker. However, on average it may range from 10k to 15k INR per month if the worker is employed.

Working hours:

For 40% of the workers, the time duration for each construction project lasts for 1 year; for 30% it is 2-5 years and for the remaining it is for 6 to 10 years (this includes big projects like towers).

¹⁰ Khan, Hasan, Jabir. "SOCIO-ECONOMIC PROFILE OF CYCLE RICKSHAWPULLERS: A CASE STUDY" pp. 315,316,318,319, 320, 321, 322, 325. Published Feb-March 2010.

https://www.researchgate.net/publication/305904431_SOCIO-ECONOMIC_PROFILE_OF_CYCLE_RICKSHAW_PULLERS_A_CASE_STUDY_Introduction/link/57a4dff08aef6167b06951/downloadw

¹¹ Construction World Website,

<https://www.constructionworld.in/cement-news/when-construction-began-to-change-india/28753>

Housing Type:

71% live in a colony, 27% live in slums and the remaining reside on footpaths.

Common Diseases:

Tuberculosis, malaria, asthma, jaundice and typhoid are the most prevalent diseases that was higher than the general population till 2015. This is primarily due to the living and working conditions of the workers. However, the most prevalent problems are falls, electric shocks from wires and cables, noise, welding fumes and vibration.¹²

Access to Hospitals:

78% of the construction workers get medical care and 87% get help from private hospitals. The treatment of diseases is thus much better post 1991 for construction workers.

Reason for choice of profession:

Most common reasons are unemployment and lack of other skills.

Has Globalization been beneficial for the lower strata?

From the data given above, we can see that the effects of globalization are not entirely positive for the low-level service employees and manual labourers- in fact it has been quite the opposite. We can see that due to globalization, the type of skills required by the people to become successful are mostly related to IT, business and accounting, analysts, customer care and so on. If a person has little ability to read and write, as was the case in India during the 1990s when the literacy rate was only 48%, they will not be benefited by globalization. We can see that in the case of Rickshaw pullers in Aligarh (2010), the illiteracy rate is at 68%, which has led to a very low average income, poor housing conditions, long working hours and high number of diseases. In no way could globalization help reduce these numbers, in contrast it has actually led to an increase in the population of such low-level employees.

Another negative effect of globalization can be seen on the unemployment rate of India. Before 1991, the unemployment rate was generally low due to a higher availability of government or state-run jobs which ensured the people's employment. However, due to a lesser government control over employment post the liberalization of the economy, the unemployment constantly increased post 1991 till 2005, after which it started to gently decrease. In 2005, the unemployment rate had increased to almost 8.5%, and the most important reasons for that are the effect of globalization and the transition economy of India during that period of time.¹³

¹² Rajand, Dharma and Singh, Pratap, Bhanu. "Demographic and Socio-Economic Profile of Labourers in Construction Industry of Varanasi City (India)". <https://www.naturalspublishing.com/files/published/mcl772u61e83xt.pdf> pp.153-155. Published 2017.

¹³ Macrotrends, <https://www.macrotrends.net/countries/IND/india/unemployment-rate>

Effect of Globalization on Professions:-

Globalization was a process that had an immediate toll on the professions that were in existence in India during the 1980s and early 1990s. Prior to globalization, there was a much greater need for various types of jobs and work, however post globalization, such need no longer existed.

Professions that existed before 1991

Door-to-door Knife Sharpener

In the 1980s, a Knife Sharpener was a very common profession for the lower section of the Indian society. A blacksmith used to mount his bicycle and hone all kinds of blades using a round whetstone that rotated by peddling the stationary bicycle. Knives, scissors, matchets and daggers were often sharpened by such Knife Sharpeners ahead of festive occasions like Eid Ul Azha or by butchers.

Reason for decline (apart from globalization):

Butchers used to be the main clients for knife sharpeners initially, however as time passed, they sharpened their knives themselves due to the rising costs.¹⁴

Movie Poster Painters

Until the 2000s, most of the movie posters in India were painted by hand. Each poster had their own style, choice of colours and were made by artists to grab the attention of the people. However, the main reason for the extinction of this profession is the change in technology. With more and more digitalization post the 2000s, hand painted posters have lost their importance and need. In the 1980s, Bollywood used to employ over 300 movie poster painters. Today, in the city of Mumbai, only one such painter remains- S Rehman.¹⁵

Mattress fluffers

Ever since cotton mattresses came into existence in India, there have been mattress fluffers. The cotton in the mattress forms lumps over time, thus the cotton needs to be taken out and be beaten to renew it and make it fluffy. The main reason for the extinction of this profession is due to the introduction of foam and coir mattresses which were cheaper than cotton and were much more efficient. In many cities like Mumbai, even lesser demand for mattress fluffers. (The role of globalization is discussed later).¹⁶

¹⁴ Tribune Website, <https://tribune.com.pk/story/2365507/bicycle-knife-sharpeners-fading-into-history>

¹⁵ DPublication Website, <https://www.dpublication.com/wp-content/uploads/2019/11/8035.pdf> ; Readomania Website, <https://www.readomania.com/blog/vanishing-trades-dying-traditions> cotton mills have also shut down, resulting in an

Patties Vendors

Patties vendors used to be very high in demand during the 1970s and 80s. They mostly stood outside cinema halls and sold veg and non veg patties during the intervals. On a good day in the 1980s it was normal to sell around 500 patties. Today that number has dropped to 30, with a working time of over 10 hours. Today there are only about 20 patties vendors left in the city of Kolkata, which earlier on used to house thousands of them. The main reason for its decline is globalization (which will be discussed later on in this chapter).¹⁷

Street typist

In the 1980s, there were about 212 typists in Kolkata High Court. Typists were required in every office in the 1970s and 80s and was a very common job. Growing automation, availability of new software and modern tools has led to a decrease of about 75% in career opportunities in this field. Today, about 10 typists remain in the city of Kolkata and there only about a thousand typists in India. If typists get a job in an office today, they may make up to 15k INR. However, that is becoming increasingly rare, and the remaining street typists today have a higher expenditure than income. They charge about 2 to 10 rupees per page, and have an average income of about 50 rupees every day. Globalization and the advent of laptop and desktop computers are the main reasons for its decline (which will be discussed later in this chapter).¹⁸

To what extent is globalization responsible for the fading away of these professions?

If there is one common reason for the decline of all the professions mentioned above- it is globalization. Globalization is a direct implication of more international trade and more foreign companies coming up and selling their products in the Indian market. In the 1980s, the main companies selling food items were Amul, Britannia, Parle-G, MTR-Foods and Dabur. Due to the deficit in the number of companies producing packaged food, there were many more people selling unpackaged and unbranded food items (such as Pattie Vendors). However, post globalization, we have many other companies coming into the market like Cheetos, Kellogg's, Nutella and Lays. Many more Indian companies also came into the market post 1991 and it was not just the big companies dominating the market but a mix of both large and small enterprises. Cafes, bakeries and restaurants started opening up in huge numbers in all urban Indian cities, exponentially increasing to 164697 restaurants today. This, accompanied by the fact that there was a greater disposable income among the middle-class post 1991, led to consumers buying more branded goods and products. The demand for hawkers and vendors kept decreasing and is constantly decreasing even today, thus most vendors are going out of job.¹⁹

Globalization not only brought more companies in India, but also led to an increase in the technological enterprises entering India. Companies like SAC, Sisco, Intel and Honeywell were amongst the first few to enter India post the liberalization of the market, followed by Facebook, Twitter and Amazon (which made investments of over 7 billion Dollars in India). Prior to the liberalization of the economy, the technological companies in the market mostly comprised of TCS (Tata Consultancy Services), Infosys and HCL technologies. The lesser number of tech companies effectively meant lesser competition to produce better goods and the concept of producing technology for families and domestic use was not there. However, post liberalization, as more and more companies poured into the Indian market, thus bringing with them consumer technological goods like laptops and desktops. In fact, the first laptop to be launched in India (the IBM ThinkPad 700C) was in 1992, just one year after the globalization era was initiated. The increasing

dominance of the IT sector on the Indian economy led to a lesser demand for manual labour and skill, thus the demand for typists and poster painters fell. Type writers were becoming a thing of the past from as early as 1995 and by 2015, this profession came to a dead end. In 1991, the first computer-art exhibition took place in the State of Art in Mumbai followed by Dhruv Mistry in 1996, who had displayed his digital art on the net. In 1997, the first Digital art workshop took place in India in Vadodara. These events finally led to one of the leading film industries in India, known as Bollywood, to digitalize their film posters. This was much more cost effective and also proved to create better and more attractive film posters. Effectively, this also meant that movie poster painters began losing their jobs and led to the demise of yet another profession.

In 1996, Foams India was established, which led to a revolutionizing of the bedding industry of India. Instead of cotton, which was used to make mattresses before, the company used foam. This not only made mattresses cheaper, but also led to a greater durability of the mattresses. There was no more need to “beat” the lumps formed in cotton anymore simply because the type of mattresses had changed due to technological innovation. After Foams India, many other companies, including Wakefit, Duroflex and The Sleep Company. This led to fewer houses using traditional cotton mattresses and pillows, resulting in little to no demand for the ancient Indian profession of mattress fluffing.²⁰

¹⁶ An Elegant Sufficiency Website, <https://www.elegantsufficiency.org/blog/2018/1/20/meet-the-mattress-fluffer>

¹⁷ Basu, Moni. CNN News Website, <https://edition.cnn.com/interactive/2017/10/world/i-on-india-vanishing-vendors/>

¹⁸ Basu, Moni. CNN News Website, <https://edition.cnn.com/interactive/2017/10/world/i-on-india-vanishing-vendors/>

¹⁹ Slurrp Website,

<https://www.slurrp.com/article/discovering-the-oldest-brands-that-are-still-around-1673853427896>

²⁰ Foams India Website,

<https://www.foamsindia.com/#:~:text=foams%20india%20was%20established%20in,clients%20through%20our%20quality%20mattresses>

Globalization has also indirectly led to the decrease in the number of knife sharpeners. The majority of customers for such knife sharpeners were butchers, however as prices for goods rose, income couldn't keep pace with the expenditure, thereby resulting in them sharpening the knives themselves. The rise in expenditure is partially due to globalization, since post 1991, the inflation rate in India was at 13.7% (all time high). Globalization also meant lesser government control over the people's jobs, thus the working hours for many were very high. This meant that the people were lesser able to spend time on tasks like sharpening knives and many just bought small slabs of knife sharpening stone to sharpen the knives by themselves at home. Globalization is responsible for a busier office life for the people and this resulted in them not being able to spend enough time for other 'unimportant' work. It led to a change in the attitude of the people- If earlier on one saw a blunt knife in India, the person would probably go sharpen it. If after globalization one saw the same, he or she would either be too busy or would have other work or choose to keep a blunt knife and buy a better knife later on (due to a higher middle class disposable income).

Globalization has thus played a very important role in the extinction of many professions in India. Prior to globalization, the attitude of the country would be more laid back and unhurried, resulting in the continuation of professions that require a high amount of skill and have a lesser production output.

Change in the Government Policies of India:-

The liberalization of the Indian Economy was one of the most drastic changes that ever took place in the history of India. Globalization played a major role in influencing the government policies that were passed post 1991.

Lowering of tariffs and import taxes

One of the major changes in the policies of the Indian government was the lowering of tariffs and import taxes on foreign goods. In July 1991, at the peak of the high import tax regime in India, the Government, under Finance Minister Dr Manmohan Singh, brought the import tariff rate down from 300% to 150%. In 1992, the tariff rate was brought down to 56.2% and by 2000, the trade weighted average tariff was at 23.36%. In 2015, the tariff rate across all products was 9.75%. Thus, we can see a radical shift from 300% to 9.75% in 25 years.²¹

Increase in FDI

FDI is the Foreign Direct Investment which allows a person to purchase an asset in a different country and gain direct control over it. The FDI went through a massive increase post the liberalization of the Indian Economy.

Deregulation of markets

License Raj was the period in India between 1950 and 1990 where the government had a strict control over the market and it was extremely difficult for any private industry due to huge taxes and corruption. TNCs (Trans-National Companies) like McDonalds found it very difficult to set up a market in India, while car companies faced huge import taxes of over 125%. Post globalization, this period came to an end and the government was kept off limits to private participation. (This has been explained in more depth in Chapter 2- Globalization of India). The manufacturing, finance and capital, mining and to an extent the agriculture industry has been opened up since 1991. The defence industry has also been liberalized, post 1991. In 2001, over 300 private companies had received private licenses and over 100 had also commenced large scale production of defence requirements. Although the private sector comprises of only 20% of the Defence Industry, it still plays an important role today because many companies like Dassault Aviation has a market for fighter jets in India. Dassault Aviation is a French manufacturing company of defence aircrafts and a huge share of it is privately owned by a corporate group known as Dassault Group, and they have sold over 36 Rafale Jets to India so far. American companies also have a market in the Indian Defence Industry- India had made an INR 8048 crore deal with Boeing in 2015 where the government bought 15 Chinook Helicopters. Thus, as we can see, many markets have been deregulated post 1991 in India.²²

²¹ Civics Daily Website, <https://www.civildaily.com/news/schemes/>

Increased Privatization of Government corporations

2 examples of government enterprises that were privatized which took place after 1991 were Bharat Aluminium Company in 2005 and the Delhi and Mumbai airports in 2006. Other Indian airports which were privatized later on include the Bangalore Airport (where private promoters hold 74% of the stake of the airport while government only owns 26%), Mangalore, Jaipur, Lucknow, Ahmedabad, Thiruvananthapuram and Guwahati airports. In 2020, the Indian Finance Minister, Nirmala Sitharaman stated that the government would finance all government establishments, which include the public sector. Immediately after that declaration, on 8th October 2021, Air India (which was government owned) was sold to the Tata Group.²³ There is therefore the probability that the Shipping Corporation of India, NMDC Steel Ltd, BEML, HLL Lifecare, Container Corporation of India and RINL will also be sold in the years to come.

Discontinuation of many Social Welfare Schemes

Under the Ministry of Woman and Child Development, there used to be 19 Schemes in total. However, today only 3 schemes remain, namely Mission Shakti, Mission Vatsalya, Saksham Anganwadi and Poshan 2.0.

10 schemes under the Ministry of animal husbandry and dairy have been discontinued post the liberalization of the Indian Economy. Only 2 such schemes remain today, and important schemes like Dairying through Cooperatives, National Dairy Plan II have also been discontinued.

Under the Ministry of Agriculture and Farmer's Welfare, only 3 out of 20 schemes remain today, which are Krishonnati Yojana, Integrated Scheme on Agricultural Cooperatives and the Rashtriya Krishi Vikas Yojana.²⁴

²² Outlook India Website,

<https://www.outlookindia.com/business/how-can-the-private-sector-help-india-become-a-net-defence-exporter--news-237152#:~:text=It%20was%20only%20in%202001,large%20scale%20production%20as%20well%20;Times%20of%20India%20Website,>

<https://timesofindia.indiatimes.com/india/10-things-to-know-about-the-iconic-us-made-chinook-h>

²³ Spsairbuz Website,

<https://www.spsairbuz.com/story/?id=892&h=Privatisation-of-Airports#:~:text=Privatisation%20of%20airports%20in%20India,two%20largest%20in%20the%20country.>

²⁴ Civics Daily Website, <https://www.civildaily.com/news/schemes/>

Decreasing government spending on fertilizers

Between 2020 and 2021, the government spending on fertilizers was at ₹1,27,921 crore. This amount was reduced to ₹79,529 crore in 2022.²⁵

Decreased allocation of funds for Welfare Schemes

The allocation of funds for MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) have gone down by 25% as of the budget for 2022 and 2023. These funds are aimed at protecting the 'right to work' in India. The budget for this scheme has gone down from INR 98000 crores to INR 73000 crore between the FY21-22 and FY22-23 budget years, and is expected to drop even further.

The Garib Kalyan Rojgar Abhiyaan or GKRAY was established for a period of about 125 days in 2020 during Covid-19 in India. The government expenditure for this was at INR 39290 and it employed approximately 50.8 crore people. However, this scheme was not expanded in any way, even though there are over 60 million people in India who seek informal jobs.

There has also been a sharp dip for allocation of funds under the Ministry of Environment- in FY18-19, the budget was at INR 165 crores. By 2021 this amount was reduced to INR 87.6 crores. For Project Tiger, the funds have reduced from INR 323 crores to 194.5 crores.²⁶

In conclusion, we can see that the government policies are moving away from being welfare based and is catering more to the upper classes and the Industrialists rather than the lower income strata. There is increased privatization of many government organizations, lesser allocation of funds for most welfare schemes and in some cases, discontinuation of welfare schemes.

²⁵ Civics Daily Website, <https://www.civildaily.com/news/schemes/>

²⁶ Civics Daily Website, <https://www.civildaily.com/news/schemes/>

Conclusion: -

The objective of this paper was to answer 3 questions- How globalization has led to a better life for the people belonging to the lower occupational strata in India, how the different occupations and skills have appeared redundant following globalization and how globalization has impacted the policies of the Indian Government.

With respect to the first question, Globalization's effects were not positive for the lower occupational strata of the society. As seen in Chapter 3, it is clear that those with little to no literacy have hardly any good job opportunity in the country and are forced to live on very low wages.

As explained in Chapter 4, globalization led to the extinction of many professions in India that were once very common, resulting in an increase in unemployment or a sharp decrease in their wages.

Finally, as discussed in Chapter 5, Globalization also led to many pro-welfare policies such as the MGNREKA and the GKRAY schemes being discontinued due to a lesser control of the Government over the market and the growth of a more open and free capitalistic market in the country.²⁷

As of 2022, 145.7 million people live below the poverty line in India. While the government does have schemes to help them out, it is not enough. Globalization, rather than helping, has led to an increase in the number of informal jobs due to lack of education among many Indian adults.²⁸

Yes, it is true that globalization has helped India a lot in stabilizing the economy. Today India is the 5th largest economy in the world, with a GDP of USD 3.75 Trillion, and is the fastest growing economy in the world with a growth rate of 6.7%. India needed globalization because without that, there would be no way to cope up with the rest of the world or fight the economic crisis of 1991. However, the benefits of globalization come with an opportunity cost.²⁹

In conclusion, Globalization has failed to provide better living conditions for the lower occupational strata, it has rendered many age-old professions redundant and has also not succeeded in providing the people with adequate pro-welfare schemes.

²⁷ Civics Daily Website, <https://www.civildaily.com/news/schemes/>

²⁸ Macrotrends, <https://www.macrotrends.net/countries/IND/india/unemployment-rate>

²⁹ Macrotrends,

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