



## GROWTH OF LIBERALIZATION & GLOBALIZATION IN INDIAN AGRICULTURE

**DR. NIKI MALHOTRA**

Principal

Suryadatta College Of Management,

Information Research & Technology(SCMIRT),

Bavdhan, Pune-411021. (MS) INDIA

# ABSTRACT

*In the Indian context, liberalization is not so much a process of freeing trade as one of camouflaging persecution of the peasantry. Similarly, globalization does not mean access to the world community but rather marginal softening of the tyrannical system of 'Indian preference liberalization may have on producers, consumers and the economy.*

*Keywords – Liberalization persecution, peasantry, globalization, tyrannical*

## INTRODUCTION

Agriculture in India was assigned to one of the lower castes in the Hindu hierarchy. The villages had poor infrastructure; farmers used age-old traditional technology within the limits of local inputs and found customers for the surplus produce within the village and in the nearby markets. Vagaries of monsoons, tyranny of the kings and the brutalities of the invaders made investment in Agriculture highly hazardous. In 1991, when the nehruvian socialistic pattern collapsed, Indian Industry was the most subsidized in the world, while the Agriculture in India was the most taxed. The Economic Reforms of the 1991 vintage should have addressed themselves to the problem of this duality and to providing Indian farmers' freedom of access to markets and technology. In fact, they barely touched agriculture. The economic Reforms remained, largely, confined to the non-agricultural sector. Despite the fact that India continues to be principally primary producer country, globalization is considered to be relevant only in the non-farm sector. In 1991, when the nehruvian socialistic pattern collapsed, Indian industry was the most subsidized in the world, while the Agriculture in India was the most taxed. The Economic Reforms of the 1991 vintage should have addressed themselves to the problem of this duality and to providing Indian farmers' freedom of access to markets and Technology. In fact, they barely touched agriculture. The Economic Reforms remained, largely, confined to the non-agricultural sector. Despite the fact that India

**DR. NIKI MALHOTRA**

1P a g e





dispassionately. It is quite apparent that at this relatively early stage, there is little observable evidence of gains to India's agricultural performance after opening up. However, there could easily be benefits that have not yet surfaced, or are yet to be identified and perhaps too difficult or intangible to measure. Whatever the case, it is highly likely that it is too soon to assess the full impact of globalization and economic reforms. Furthermore, the process of liberalization has been gradual and remains incomplete. For example, the complete removal of quantitative restrictions after March 2001 will have provided an opportunity for Indian farmers to tap world markets and, if they are successful, results should start to become evident soon. Export promotion via the development of export and trading houses as well as effective liberalizing export promotion zone schemes for agriculture are fairly recent measures and only time will tell as to how effective these measures are. Other possibilities such as agro-industry parks for promoting exports are also in the pipeline.

It is clear that the liberalization policies adopted by the government of India played a dominant role in the agrarian crisis that is now being played out. However, this is not to say that liberalization and globalization are per se bad, or inherently inimical to an economy. It is the 'one size fits all' brand of liberalization adopted by the IMF and the World Bank which forces countries, liberalize and globalize without exception which has failed. Without taking into account the state of an economy, and in this case, the state and nature of the agricultural sector in India, the IMF and the World Bank, with the cooperation of the Indian government, embarked on mismatched reforms, which have caused misery and despair among millions of Indian farmers, driving large numbers of them to suicide. It is also essential to break the link between aid and liberalization, which caused India in the first place to accept the conditions of the IMF. Remember that India was on the brink of a financial crisis in 1991 when it applied for the IMF loan and accepted its conditions—perhaps the course of economic reform in India would have taken a very different course if there was no urgent need to borrow from the IMF. The start to this process may have already occurred: recognizing the failure of its liberalization policies, (and perhaps also the failure of DFID with AP's power10 reforms) the Blair government of Britain announced in 2004 that it will no longer make liberalization and privatization conditions of aid. In another blow to the neo-liberal lobby, Chandra Babu Naidu suffered the worst ever defeat in the 2004 state elections in his party's history, with rural AP clearly rejecting his brand of World Bank sponsored liberalization. The battle, however, has not yet been won. It is essential for the rest of the G8 to follow Britain's example in order to influence World Bank and IMF policy towards India to ensure blind liberalization is not pursued, and so that countries like India can adopt tailor-made reforms to suit their economy.

In conclusion, India has successfully set sail on the waters of globalization and economic reforms and even in the wake of economic and political instability, she has to carefully steer her course in order to reap the benefits of increased productivity growth in the agricultural sector.



## REFERENCE

1. Analysis of Trends in India's Agricultural Growth by Elumalai Kannan Sujata Sundaram.
2. Impact of Globalization on Indian Agriculture by Nirmala Rani  
(www.erpublications.com)
3. ASIA-PACIFIC DEVELOPMENT JOURNAL Vol. 10, No. 2, December 2003 *Renuka Mahadevan* Productivity growth in Indian agriculture: the role of globalization and economic reform ..