

## CHAPTER 6

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# GLOBALISATION AND SOCIAL CHANGE

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### 1. Globalisation

- It refers to the growing interdependence between different peoples, regions and countries in the world.

**The effect of globalisation** is far reaching. It affects us all but affects us differently. Thus, while for some it may mean new opportunities, for others the loss of livelihood.

**For eg.** Women silk spinners and twisters of Bihar lost their jobs once the Chinese and Korean silk yarn entered the market.

### 2. Global Interconnections not new to world and to India

1. Since the early years, India has never been isolated from the world. For eg: Silk route, which centuries ago connected India to the great civilisations, which existed in China, Persia, Egypt and Rome.

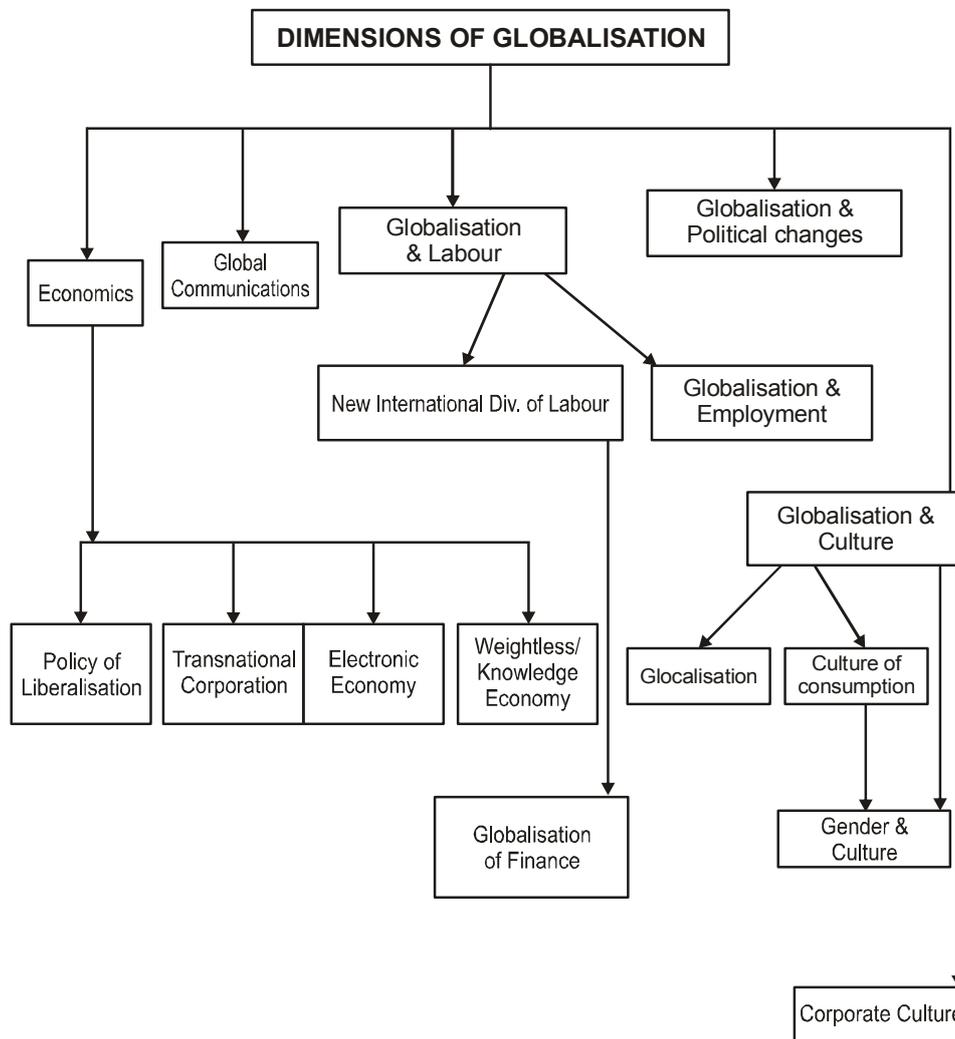
#### 2. Colonial Period

- Greatest movement of people was navigation of people.
- Labourers were taken away in ships to distant parts of the world.
- Slave trade

#### 3. Independent India and the World

Independent India retained a global outlook, even after Independence For instance migration, export and import of raw material, goods and technology was very much part of development since independence. Foreign firms did operate in India.

### 3. Dimensions of Globalisation



- **Indentured labour** work under a restrictive contract of employment for a fixed period in a foreign country in exchange for payment of passage, accommodation, and food.
- Indentured labour was widely used as a source of workers from India for employment on sugar plantations in the Caribbean from 1839, following the abolition of slavery.

#### 4. The Economic Policy of Liberalisation

- The state after independence put in place a large number of laws that ensured that, the Indian market and Indian indigenous, business were protected from competition of the wider world.

- Liberalisation of the economy meant the steady removal of the rules that regulated Indian trade and finance regulations.
- Since 1991, the Indian economy witnessed a series of reforms in all major sectors of the economy (agriculture, industry, trade, foreign investment and technology, public sector, financial institutions etc. As greater integration into the global market would be beneficial to Indian economy.
- The process of liberalisation also involved taking loans from International and Monetary fund (IMF).

### **5. Transnational Corporation**

- TNCs are companies that produce goods or market services in more than one country. For e.g: Coca Cola, General Motors, Colgate-Palmolive, Kodak and Mitsubishi.

### **6. Electronic Economy**

- Banks, corporations, fund managers and individual investors are able to shift funds internationally with the click of a mouse.

### **7. Weightless Economy or Knowledge Economy**

- In weightless economy products have their base in information, not in the physical production or distribution of material goods as in the case with software, media and entertainment products and internet based services but in their design, marketing, sale and services. For e.g., event managers.

### **Globalization of Finance**

- Due to the information technology revolution, a globalisation of finance, takes place. Globally integrated financial markets undertake billions of dollars worth transactions within seconds in the electronic circuits. There is a 24-hour trading in capital and security markets.

### **8. Global Communications**

- Important advances in technology and the world's telecommunications infrastructure has led to revolutionary changes in global communication. We now have multiple links to the outside world, including telephones (land lines and

mobiles), fax machines, digital and cable television, electronic mail and the internet.

- Digital Divide : It exists in situations where some homes and many offices have multiple links with the outside world but some may not have.

### **9. Globalisation and Labour : Globalisation and A New International Division of Labour.**

- In new international division of labour more and more routine manufacturing production and employment is done in the Third World cities — outsourcing.
- Nike shoes founder Phil Knight imported shoes from Japan and sold them at athletics meetings.
- The company grew to a multinational enterprise, a transnational corporation,
- As costs increased, production shifted to Thailand and Indonesia then to India.
- Instead of mass production of goods at a centralised location (Fordism), we have moved to a system of flexible production at dispersed locations (post-Fordism).
- Fordism : Refers to a system of production made popular by the American industrialist Henry Ford in the early part of 20th century. He popularised the assembly line method of mass production in a centralised location.
- Post Fordism : Refers to a system of flexible production of goods at dispersed locations.

### **10. Globalisation and Employment**

- There is uneven impact of globalisation on employment. For the middle class youth from urban centres, globalisation and the IT revolution has opened up new career opportunities.

### **11. Globalisation and Political Changes**

- Political developments that accompanied globalisation were :
  - The collapse of the erstwhile socialist world hastened globalisation.

- the growth of International and regional mechanisms for political collaboration.

Eg: The European Union (EU), the Association of South East Asian Nations (ASEAN), South Asian Regional Conference (SARC) and South Asian Federation of Trade Association (SAFTA).

- The rise of International Government Organisations. (IGOs) and International Non-Governmental Organisations (INGO's).
- **INGOs** differ from intergovernmental organisations in that they are not affiliated with government institutions, they are independent organisations, which make policy decisions and address international issues. Some of the best known INGOs are **Greenpeace, The Red Cross and Amnesty International, Medecins Sans Frontiers** (Doctors without Borders).

## 12. Globalisation of Culture

- Globalisation of culture refers to the mixing of the global culture with the local culture.
- **Glocalisation of Culture** : Glocalisation refers to the mixing of the global with the local.
- It is a strategy often adopted by foreign firms while dealing with local traditions in order to enhance their marketability.
- In India, all the foreign television channels like Star, MTV, Channels V and Cartoon Network use Indian languages. Even McDonald sells only vegetarian and chicken products in India and not its beef products, which are popular abroad. McDonald's goes vegetarian during the Navaratri festival.

## 13. Gender and Culture

- Fixed traditional idea of cultural identity defends undemocratic and discriminating practices against women in the name of cultural identity.
- These could range from a defence of sati to defence of women's exclusion from education and participation in public matters.

#### **14. A. Culture of Consumption**

- Cultural consumption (of art, food, fashion, music, tourism) shapes to a large extent the growth of cities.
- This is evident in the spurt of growth of shopping malls, multiplex cinema halls, amusement park and 'water world' in every major city in India.
- Advertisements and media also promotes culture where spending is important.

#### **B. Corporate Culture**

- Corporate culture is a branch of management theory that seeks to increase productivity and competitiveness through the creation of a unique organisational culture involving all members of a firm.

#### **15. Threat to Many Indigenous Craft and Literary Traditions and Knowledge Systems**

- Modern development even prior to the stage of globalisation did make inroads into traditional cultural forms and occupations based on them.
- unable to compete with power looms, traditional craft of weaving are dying out.
- (1) For instance about 30 theater groups, which were active around the textile mills area of Parel and Girgaum of Mumbai city, have become defunct, as most of the mill workers are out of jobs in these areas.
- (2) Some years back, there were large number of suicides by the traditional weavers in Sircilla village of Karimnager district and Dubakka village in Medak district, both in Andhra Pradesh.

#### **Protecting Indigenous Knowledge Systems**

- Recent attempts by some multinational companies to patent the use of Tulsi, Haldi, Rudraksha and Basmati rice has highlighted the need for protecting the base of its indigenous knowledge systems.

## 1MARKS QUESTIONS

1. Centuries ago----- route connected India to the great civilisations, China, Egypt & Persia.
2. Indian economy witnessed a series of reforms in all the major sectors of the economy after 1991 due to the policy of\_\_\_\_\_
3. Companies that produced goods or market services in more than one country are called
  - a. NASDAQ
  - b. TNCs
  - c. BPOs
  - d. IGOs
4. A click of the mouse that enables the individual investors, corporators and bankers to shift funds internationally is known as\_\_\_\_\_
5. During the colonial period, when labourers were taken away in ships to distant parts of the World was referred to as\_\_\_\_\_
6. Operation of foreign firms, migration, export and import of raw materials etc helped Independent India to retain----- outlook
8. Some of the new occupations have emerged in contemporary times where the workforce is involved not in the physical production/ distribution of material goods but in their design, marketing, sale & services as a result of-----
9. With the increase of cost of production, many companies prefer to opt for outsourcing into the third world cities instead of mass production in a centralised location is called.
10. Digital divide facilitates the compression of time and space (state whether true or False).
11. Identify which is not an example of INGO
  - a. Geen peace
  - b. Red cross
  - c. Mitsubishi
  - d. Amnesty International
12. Consumption culture is a branch of management theory which seeks to increase productivity and competitiveness through the creation of organisational culture involving all members of a firm. (Correct the statement)

## **2 MARKS QUESTIONS**

1. What is globalisation?
2. What is Liberalisation?
3. What are indentured labourers?
4. What are Transnational Corporations?
5. What is globalisation of finance?
6. Differentiate between Fordism and Post Fordism.
7. Name any two INGO's.
8. What is digital divide?
9. State the importance of the 'silk route'.
10. What is migration?
11. What is Glocalisation?

## **4 MARKS QUESTIONS**

1. Are Global interconnections new to India and the World? Give reasons.
2. Explain the economic policy of Liberalisation.
3. Explain culture of consumption.
4. Explain Homogenisation versus Glocalisation of Culture. Give suitable examples.

## **6 MARKS QUESTIONS**

1. The effect of globalisation is far reaching. It affects us all but affects us differently. Explain.
2. With the help of an example explain the impact of globalization and the New International Division of labor.
3. Examine the political changes brought about as a result of globalisation.