

***A STUDY ON GLOBAL PARTNERSHIP AND SUSTAINABLE DEVELOPMENT IN
INDIA***

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Abstract

Globalization taking into account the requirements of the consumers ensures best quality and lower cost since consumers are given free option to choose best quality. This automatically prohibits the expansion of high cost inefficient units. Deficit in balance of payment and the methods of its financing has become one of the major constraints in the process of sustainable economic development in many developing countries. Many countries of the world have accepted the principles of globalization of economy by making structural changes in these economies. This has necessitated the India too to accept the country. Developed nations have started regional co-operation among themselves. They are also using protective measures against the developing countries. A successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships built upon principles and values, a shared vision, and thus the earth at the centre are needed at the worldwide, regional, national and native levels.

Keywords: *Sustainable Development, Globalization, Economic Development, Structural Changes.*

Introduction

The wave of globalization has revolutionized the world economy in the recent past. The world economy have adopted it s a tool of new economic prosperity and happiness. The globalization ultimately leads to the culture of consumerism in the society which will cover only 10 per cent of the total population. In no case it will go above 20 per cent as consumerism will touch only elite class plus middle class. Rest of the population will not benefit from the policy of globalization as they lack the adequate purchasing power to consume durable consumer goods produced by the foreign investors. The globalization means open invitation of multinationals. We know that the debt burdened Indian economy had to compromise with the absconding chairman of the Union Carbide disaster. In future, under the process of globalization, we shall have to compromise against Indian interest more with multi-nationals for emissive foreign investment.

Globalization of Indian Economy

The new economic policy of which globalization is an essential component, based upon strong assumption. Last 40 years of planning could not deliver goods not on account of inward-looking policy but on account of the lack of national feeling among the people and corruption at high places. Lack of committed people is responsible for turning the public enterprises into the white elephants of the economy. India has to struggle and sacrifice a lot for some more years in the interest of the progress of our nation. Political parties too should be one on economic issues of the country forgetting their political differences and should wholeheartedly support the globalization policy of Indian economy.

Investment Flows and Sustainable Economic Development in India

Deficit in balance of payment and the methods of its financing has become one of the major constraints in the process of sustainable economic development in many developing countries. Due to mounting burden of debt servicing upon the meager foreign exchange earnings, the emphasis is gradually shifting from official development assistance (ODA) and commercial borrowing to private capital inflows, especially in the form of foreign direct

investment (FDI) due to their added advantage of direct linkages with the development process via transfer of technological, managerial and marketing skills, etc.

The objective of the present study is to find out the extent to which India has been successful in this type of structural change since the inception of structural adjustment programme in July 1991. On the global level the ratio of official finance which included grants and loans declined from 56.8 per cent of total capital flows in 1990 to 27.7 per cent of the same in the year 1995 with a corresponding increase in the private flow with a major spent in the foreign direct investment which increased from \$ 25 billion in 1990 to \$ 90.3 billion in 1995. In the absence of availability of official assistance in sufficient amount attention was shifted to commercial borrowing, but the increased demand for these flows on global level resulted in hardening the terms of new commitments especially in the late 1980s. The decline in ODA and hardening the terms of commercial borrowing let to a surge in private capital flows in the form of portfolio and foreign direct investment.

Global Capitalism and the Indian Economy: A Historical Overview

Capitalism in an economic process in which economic activities are free from all external interferences economic activities are governed by market laws with an invisible hand. According to Adam Smith government or state should work like laissez-faire. Firstly, it was started by mercantilists but strengthen by Adam Smith to giving main position in his book an enquiry into the nature and census of the wealth of the nation's 1776.

Capitalism is not a natural evolution in India. Firstly started with Portugal in fifteenth century, then with Holland and France and finally with Britain, Holland, France and Britain fought bloody battles in Asia to provide opportunities for their respective to expand capitalism. But finally Dutch on Indonesia, the French on Indo-China and British to India distributed their respective area. After some time the British home global empire, it was said the sun would never set. British capitalism becomes stronger to get a support of Adam Smith.

Globalization of the Indian Economy

The Global economy has taken a drastic turn during the decade of eighties. Various prevailing factors of the decade such as disintegration U.S.S.R, unification of Germany, liberal

and integral policies of the western countries, emergence of Japan as the second largest industrial country and the acceptance of market mechanism by the world to think over the need of globalization of economy. Many countries of the world have accepted the principles of globalization of economy by making structural changes in their economies. This has necessitated the India too to accept the changing global economic order for its sustained economic growth in the country.

Since 1990 it has been felt that economic policies initiated by India during the last forty years are mistaken and flawed because we have believed in the principles of closed economy which is the cause of generating a high cost inefficient industrial in the country. It has not only prohibited the maximum utilization of the factors of production but also obstructed the micro-economic development of the country.

Conclusion

It may be said that execution of globalization should be gradual and be linked with the objectives of the plan of the economy. It should be helpful in solving the existing constraints of the economy. The new economic policy will remove obstruction by creating an environment of competitiveness and efficiency in the internal market. The manufacturing sector will no doubt be able to take advantages of this opportunity and generate a new impetus for economic growth through a set of appropriate responses. So the entire world order is moving towards the market system. Adam Smith had also agreed with the view in the year 1776 that “the success of market system of any country depends upon globalizing the entire world economic order”.

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