
UNIT 5 GLOBALISATION AND SOCIAL MOVEMENTS

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5.1 INTRODUCTION

This unit deals with the relationship between globalisation and social movements. Globalisation has brought profound transformation in the lives of people everywhere and it has immense potential to affect social, political and economic conditions globally. The critics of globalisation look at it as a process that can increase disparities of wealth and power. They are of the view that economic liberalisation is exacerbating the gap between rich and poor virtually in all developing regions. Globalisation has empowered some countries more than others. Rules and norms about investment, environmental management and social policy are made by these countries because they have power to control international institutions. Less powerful countries even more than in past are becoming rule-takers. The advocates of globalisation focus on the opportunities that are seen as its concomitant. It has ensued a process that may change class structure, reinforcing cosmopolitanism. Globalisation is also transforming people's definitions of selfhood and identity. It is also averred that it has an inherent bias in favour of the middle class and hurts the interests of the underprivileged in material sense. The phase of globalisation has been charged with being a phase of jobless growth. The labour sector has witnessed retrenchment, voluntary retirement schemes and casualisation of workforce. The labour reforms that seem to be accompanying globalisation process seem to hurt the interests of workers at least in immediate sense. As part of conditions of General Agreement on Tariffs and Trade (GATT) signed at Maracas developing countries including India are being pressurised to keep the subsidies to farmers up to ten per cent of their value output. It has also introduced a patent regime. These developments have potential to affect Indian agriculture and the interest of the farmers in a fundamental sense. The process of globalisation also poses a major danger to environment because a mad race has started among governments to create proper investment climate. This many times means relaxing environment safety norms to reap economic benefits. Another important question is how does globalisation affect the interests of women?

5.2 MEANING OF GLOBALISATION

An important aspect of globalisation is state-led centralised and planned economic development being replaced with market led liberalised and globalised economic development. There seems to be disillusionment with the state and it is seen as source of all the evils and market is projected as panacea of all the economic evils. Dreze and Sen are of the view that expansion of market is among the instruments that can help to promote human capabilities, and given the need of eliminating endemic deprivation in India it would be irresponsible to ignore the opportunity. State seems to be on the retreat. Even in India the state-centric developmental approach has come in for sharp criticism. The central role assigned to state and its bureaucracy in developmental projects has precluded participation of masses and local people in solving their problems. The movement of international capital along with expansion of information technology have resulted in the erosion of the boundaries and sovereignty nation-states. This void caused by the retreating state necessitates a dialogue between globalisation and social movements. Social movements have succeeded in conveying a message clearly that any developmental paradigm not providing for their participation will not be acceptable to them. In India initial doubts and apprehensions about globalisation seem to have waned. There seems to be greater consensus in favour of globalisation today. According to Pranab Bardhan this consensus is inexorable and irreversible. An insulated, inward directed economy does not seem to be an option in today's time. In this situation a more plausible option seems to be shaping globalisation. Powerful social movements with coordination and networking among them at local, national and global levels can go a long way towards this objective.

5.3 IMPACT OF GLOBALISATION

Until the 1980s many of the developing countries pursued inward-oriented growth strategies, relied heavily on state-owned enterprises and had highly protected and regulated economies. Indian economy was not an exception to this general pattern. The 1990s saw these countries launched on the path of privatisation, liberalisation and deregulation. India was also one of these countries. A combination of factors both international and national influenced India's decision to follow what came to be known as the New Economic Policy. India was faced with severe depletion of foreign exchange reserve. There was not enough foreign exchange reserve even to pay for imports of two months. The country was left with no option but to approach the World Bank and IMF for loans to avert the crisis. To avail these loans the country had to agree to a package of Stabilisation and Structural Adjustment Programme. This package gave the much-needed boost to the process of economic liberalisation in India. This gave an opportunity to the reform-oriented bureaucracy inside the government to go ahead with their long cherished agenda. The impending financial collapse firmed up the resolve to reform at the governmental level. The ideological opposition to the policy of reforms appeared to be weakest around this time. The economic policy Margaret Thatcher in England and Ronald Reagan in America represented what came to be known as rolling back the state. In a way this sounded the dwindling popularity of Keynesian economic model of welfare state. The decline of the socialist model in the form of disintegration of former Soviet Union and adoption of capitalist path of development by its successor states and its once

satellite states of eastern Europe made the ideological props to the ideology of pervasive state control ineffective. China's economic success story in the post-reform period also seems to have firmed up India's resolve to liberalise.

Jean Dreze and Amartya Sen are of the view that government policy at this time seems to be overwhelmingly concerned with removing counter-productive regulations. The state has been neglecting positive activities earlier also and continues to do so even now. Zoya Hasan is of the opinion that economic liberalisation may hurt the interest of the disprivileged in material sense; hence there is need of imaginative strategies to surmount the cleavages of deprivation and inequity between classes, castes, communities, genders and regions. There has been a lack of commitment on the part of the state to welfarist goals and insensitivity towards the condition of the marginalised. There is need of vigorous social movements to reorient and remind the social commitment of the state in the post-globalisation phase.

5.4 GLOBALISATION, SOCIAL MOVEMENTS AND DEVELOPING COUNTRIES

In India social movements have played an important role both before and after independence. Globalisation seems to be throwing newer challenges before social movements. In the era of globalisation social movements all over the world have been active in ameliorating the conditions of people by launching movements against both democratic and undemocratic states. Some movements have taken advantage of the opportunities offered by globalisation for creating international networks. At the same time some movements have been busy fighting the negative effects of globalisation.

Charles Oman holds that the challenge before globalisation is that it should strengthen social cohesion not weaken it. This can happen if all segments of society within countries and internationally share the benefit and perceive to benefit, from the raising of productivity levels to which globalisation can contribute. But the problem is that the political economy of the world is managed by a small number of multilateral institutions mainly the trio of the World Bank, the International Monetary Fund, and the World Trade Organisation. The policies of these organisations are determined by the richest industrialised countries, which are the members of the Group of seven. Together these countries control over 60 per cent world economic output and over 75 per cent of world trade. The report of the South Commission in 1992 held that inequalities tended to widen, as the economy grew and became more industrialised. The gap of income, knowledge and power was growing and large segments of the population experienced no significant improvement in their standard of living. The economic management by the three organisations the World Bank, the IMF and the WTO has caused massive reorganisation in the economy and society in developing countries. Globalisation in a sense has meant narrowing of policy options for the countries of the South. This also seems to be undermining their sovereignty.

For the vast number of developing countries high growth economic activities propelled by globalisation pose serious threat to their environment and these activities may also lead to faster depletion of their resources. Globalisation has started a competition among the governments of the developing countries to create better investment climate. Many times this also means relaxing environmental safety guide-lines for attracting foreign

investment. It is obvious that environment safety norms are compromised in the name of higher economic growth. This kind of growth has led to exploitation of Chile's native old-growth forest, the massive expansion of shrimp aquaculture in Honduras with the destruction of mangrove ecosystem. It also led to extraction of minerals on the scale of Brazil's Cajaras scheme. All this exploitation of renewable and non-renewable resources has a common aim — generating export earning. In parts of India environmental pollution has reached disastrous proportion. Both the major rivers the Ganga and Yamuna have become polluted and the major cause of pollution is disposal of untreated industrial waste into these rivers. In places like Vapi, Ankleswar, Nandesari and Baroda in Gujarat the victims of pollution from factories and industries complain about holes in their clothes, death of buffaloes or elephants by drinking polluted water released in rivers, ponds or open spaces or farmers complain about crop destruction due to the pollution. The polluting industries refused to accept any responsibility. Latin America has become pollution haven for corporations and production units driven out of the USA, Canada and Western Europe because of stringent environment norms. Latin America's environmental crisis clearly demonstrates the logic of globalisation under the dominance of transnational capital with benefits ultimately reaped in the rich industrialised countries. There is greater need for social movements to direct their energy to counter trends towards global inequality, increasing vulnerability of the environment and livelihood in the South. At the global level the shape and nature of resistance is difficult to visualise. On the international level it is more difficult to communicate the need of environmental security. Most international NGOs are mainly concerned with issues of poverty and human rights at national and sub-national levels.

5.5 GLOBALISATION AND SOCIAL MOVEMENTS IN INDIA

5.5.1 Farmers

Globalisation is likely to have serious implications for Indian agriculture. India signed the General Agreement on Tariffs and Trade [GATT] at Maracas in 1994 and became part of the World Trade Organisation [WTO]. As part of the GATT agreement developing countries including India are under obligation to introduce reduction in subsidies and keep it to the 10 per cent of farmers' value output. But cutting down on subsidies does not seem to be practical because of strong resistance of the farmers' lobby. India together with other countries of the third world has accused the WTO of following discriminatory practices because the developed countries continue to give subsidies while they continue to pressurise the developing countries to cut subsidies. Another GATT-related problem affecting the interest of the farmers is introduction of patenting in agriculture. A farmer is not automatically permitted to use seeds of the protected varieties which he saved for sowing next crop. He has either to pay compensation for the use of the seeds saved by him or to obtain permission of the breeder. As most of the plant breeders are Multi-National Corporations and their main motive is profit the only option left with the farmers is to buy the seeds again. Farmers in Karnataka had registered their protest against this arrangement by attacking the farm of Car gill seeds, a Multi-National Seed Company. The farmers have been joined by the NGOs in their protest against the seed companies. Liberalising agricultural sector seems to be more contentious. A jump in food prices appears to be an inevitable outcome of liberalisation. This fear has a solid basis. The international prices of food grains are higher than domestic prices. Any rise

in food prices would hit the poor hardly. This would make the government of the day immensely unpopular and might seriously jeopardise the electoral fortunes of the ruling party. Overall the response of the Rich Farmers Movement towards the New Economic Policy and India joining the WTO has not been undifferentiated. Sharad Joshi an important leader of farmers in the western part of the country has welcomed the new development. He expects opportunities for farmers in the phase of liberalisation. At the same time Mahender Singh Tikait in the north and Nanjundaswamy in the south are apprehensive of negative fallouts of liberalisation on the agricultural sector. Economic reforms in agricultural sector have not met any serious protest because a section of rich farmers is finding new investment opportunities in agro-based industries like sugar, rice mills, food processing, floriculture and horticulture. In the 1990s India has increased its exports of both fresh and processed fruits and vegetables. As China has joined the WTO and is deepening its engagement with globalisation the biggest risk for India may be being left behind. It would mean losing out on opportunities offered by globalisation. Some people argue that the farmers' movements should not oppose globalisation. While it is always good to be watchful against negative fallouts of globalisation at the same time Indian farmers should ensure that they benefit from the opportunities offered by globalisation.

5.5.2 Working Classes

Globalisation has thrown big challenges before the working class movement. An important part of the globalisation agenda has been privatisation of public sector units in India, which has meant disinvestments from, and privatisation of the public sector enterprises. Among the main planks of the New Economic Policy are closure of sick and loss making public enterprises. Workers have faced the prospect of retrenchment. There have been cases of Voluntary Retirement Schemes [VRS]. Casualisation and contractualisation of workers have been other accompaniments of globalisation. The practice of keeping contract and casual labour in place of regular employees has become widespread. Many people have argued that post-economic reform period has been a period of jobless growth. As part of Stabilisation and Structural Adjustment Programme number of vacancies have come down. There has been a marked decline in the growth rate of total employment in the organised sector in the 1990s as compared to 1980s. As part of the New Economic Policy the policy of downsizing has started. This means reducing overheads for cost reduction. Industrial Disputes Act 1947 lays reasonable restrictions on employers intending to undertake retrenchment or closure. This act stipulates that in case of retrenchment or closure due notice will have to be given to the union. In such situation the union and management have to devise ways and means to protect employment of the workers. It is obvious that labour laws regarding job security are being changed on the grounds of economic rationality. Downsizing in developed countries is less painful because of the fully developed social security system already in place. This unfortunately is not the case in developing countries like India. However, a National Renewal Fund was created to provide social safety net to the labour force rendered jobless as early as in 1992. Liberalisation has also meant relaxation in government control over the private sector as a result of which the bargaining power of labour vis-à-vis capital has come down. There have been strikes by trade unions to protect the interest of workers in State Electricity Boards, ITDC hotels, nationalised banks etc. The introduction of the New Economic Policy has exposed the weaknesses of the working class movement. The response to the anti-labour reform policies cannot

be effective because the trade unions are a divided house. Some scholars argue that working class movement should not be opposing privatisation and their focus should be protection of the interest of the workers. Ashutosh Varshney is of the view that it would be easier to launch bigger privatisation programmes, if it is decoupled from large- scale retrenchment.

5.5.3 Middle Classes

On the job front the complete story is not so dismal because globalisation has also unfolded big opportunities for lots of people, particularly of the upper middle class. This is especially true about people having degrees from the famous IITs and IIMs who are in big demand both in India and the world over. The students from such premier institutions walk away with unheard of pay packets. India churns out more than 70000 computers professional every year in addition to the graduates from the IITs. The Indian software industry employed nearly 160000 professionals in 1998-99. Indian software industry has earned a worldwide reputation. This feat has been achieved by leveraging India's highly skilled technical manpower. India has emerged as a powerful player in the world in the IT sector. India's advance in the IT sector has attracted many American and European companies to locate their back office operations in Bangalore, Chennai, Pune, and Gurgaon etc. The shifting of back office operations of foreign companies has been influenced by many factors like abundant supply of cheap labour, cheap satellite communication and the facility of Internet. While this development has created tremendous job opportunities in India it has been used by foreign companies as a cost cutting arrangement. These back office operations range from billing to payroll handling, airline reservation to answering customer complains. In case of both these kinds of jobs whether in the much famed IT sector or the Call Centers students coming from upper middle class and urban background are more likely to get these jobs. The reservation policy of the government has been in keeping with the idea of social justice. This was found that without reservation people from the disadvantaged section were unable to get jobs. As of now the private companies and the Multi National Corporations do not follow any principle of reservation. Some representatives of disadvantaged sections look at liberalisation as a ploy to deny the disadvantaged strata of society the benefit of reservation. Many Dalit leaders like Ram Vilas Paswan and Social Justice Minister in the UPA government led by Man Mohan Singh, Meira Kumar have appealed for reservation even in the private sector. Some people argue that apart from demanding reservation also in private sector the movement of the disadvantaged section should exert pressure on the government to improve the quality of education in government-managed institutions. The people from the disadvantaged sections do not have the means to afford quality education offered at high prices in elite schools meant for the well-off sections of society. Thus the introduction of the new economic policy has marginalised a large section of the population, as they do not have the necessary skills to benefit from the opportunities offered by globalisation. To make the marginalised partners in the bounty offered by globalisation process there is need of big investment in imparting that kind of skills in them that they do not lag behind aspirants from privileged section of society. Dreze and Sen are of the view that there is great opportunity here for channeling political activism in the direction of forcefully demanding expansion of basic education, health care and social security for those who are left out of the system.

5.5.4 Women

Globalisation can be seen as an ideology committed to production for profit, which leads to relative or absolute deprivation of women, colonies and marginal groups and communities. The exigencies of competition and market are used to enforce policies, which aims at profit making at the expense of people and planet. Angela Miles is of the view that feminists all over the world have come to reject the profit-based market system which compels private ownership of all the earth's goods and recognises only those things as valuable which can be bought and sold for profit on the market. This market does not value the work of nature and women. Feminists in developed countries are fighting for recognition of the value of the goods and services produced by them in homes. They are also fighting for men's equal participation in such works. They also demand recognition of the value of the social support provided by women in the form of childcare, health and educational services. They are also struggling both in North and South to maintain traditional pattern and capacities of subsistence in the face of devastating development process. The phenomenon of globalisation its commitment to commercialisation, modernisation, export-oriented development, growing reliance on private sector and the obsession with profit motive has adversely affected the cause of women in India also. There has been a sharp fall in women's employment in the organised sector in the era of globalisation. The expansion of informal sector has put women in the category of reserved army. They have joined the rank of poor. This increasing feminisation of poverty is a matter of grave concern. Even in today's India patriarchal norms established nearly two thousand years ago continue to prevail. The media and the education system continue to project the ideals of motherhood and loyal and faithful wife. The subordinate position of women in society is reinforced by a look at declining sex ratio of girls, growing domestic violence of all kinds against women, the spurt in dowry deaths and rising rape cases. Derez and Sen hold that the persistence of sharp gender inequalities in many different forms is one of the most striking aspects of the Indian economy and it yields disparities in power, decision-making and well-being. They are of the view that subordination of women in Indian society tends to impair their effectiveness in reducing deprivation in general. Woman's emancipation in the form of basic education and economic independence can have many positive impacts. Kerala is a shining example in this regard. There women's emancipation has a direct impact on childcare and a noticeable check on fertility rate. The suppression of women from participation in social, political and economic life hurts the society as a whole, not just women. Women have often been active in demanding and working for basic social change. Social movements in general and women's movement in particular should exert enough pressure on government so that proper policies for women's emancipation should be made and also implemented.

5.5.5 Networking and Cooperation

Most of the social movements are generally preoccupied with their on particular struggle. They are gripped with the mindsets of "our movement" and "their movement". This exclusiveness makes them vulnerable in the event of oppression unleashed by state. With networking and coordination among them these social movements can play important role in achieving democratic social transformation. The need of networking and coordination is not limited to social movements within a country. Environment Movements and anti-WTO movements have demonstrated global networking and

coordination. Aaron Pollack is of the view that social movements are increasingly going global in their response to the neoliberal economics. The programmes and policies which have impact on lives of people are not exclusively in the hands of national governments. Many times programmes and policies are direct consequence of the decisions taken by global actors. This necessitates networking and coordination among social movements on global level to bargain for a better deal. The communication revolution that has accompanied globalisation has created a situation in which any form of movement in any part of the globe can easily attract the attention of global community. This can very well create public opinion in favour or against some issues.

Rodrik in his book *Has Globalisation Gone Too Far?* (1997) argues that economic globalisation catalyses social protest in three ways. First, unskilled workers in the developed countries perceive a decline in their bargaining power as a result of greater capital mobility and feared increase in the elasticity of demand for domestic labour. Workers fear that capital has a decreased incentive to maintain the post-world War II bargain, in which capital provided workers with a stable living wage in exchange for the promise of labour peace. Accordingly, unskilled workers protest globalisation as they now face increased uncertainty about wage cuts, instability in labour markets, and lower benefits. Second, opposition can arise as globalisation eclipses domestic norms. Most countries uphold distinct norms about labour market standards and acceptable market practices. When world markets are highly protected, these normative differences are juxtaposed but rarely come into conflict with one another. With greater international economic integration, however, these normative differences clash directly and place in sharp relief distinct and conflicting beliefs about state responsibilities vis-à-vis citizens. Where greater economic integration takes place at the expense of national legal norms, globalisation processes can and do endanger political opposition. It also triggered off anti-child labour movements. Third, opposition arises as workers blame globalisation for dismantling the welfare state. International institutions pressures to whittle away at social programmes and arrangements that protected certain categories of workers in the past from unstable, unpredictable, and more open markets.

In India because of globalisation industrial growth has increased which provide employment in informal sector. Hence workers get fragmented and compete among each other for security and job. It adversely affect organised struggles. What we have is localised working class movements.

Because of the increased international network of activists for Human Rights, transnational collective action has increased. International pressure against Gujarat communal violence and support to the Narmada Bachao Andolan are some of the most important examples.

5.6 SUMMARY

To sum, it can be said that rolling back globalisation does not seem to be a plausible option because an overwhelming consensus exists today in its favour both among political parties and intellectuals. Globalisation seems to be perpetuating old inequalities and also creating new kind of inequalities. That is why there is a need for what has been called shaping globalisation. The wealth and opportunities which are created should benefit every section of society. The state policies should aim at imparting education and other technical skills to the disadvantaged sections like dalits and women. This can help them

to develop a sense of partnership in progress. There is a greater need of powerful social movements in present context more particularly because state appears to be on the retreat. There is also a need of coordination and networking among social movements both on national and global levels to ensure sustainable and equitable development. It is also necessary to ensure that development does not take place at the cost of rights and freedom of the people.

5.7 EXERCISES

- 1) Identify the main features of globalisation.
- 2) Discuss the impact of globalisation on various sections of Indian society.
- 3) How do you relate the social movements to the impact of globalisation?