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GLOBALIZATION AND DECENTRALISATION IN INDIA



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Abs tract:-Globalization literally means international integration by the combination of economy, technology, socio cultural and political forces and to convert the people of world into a single society. This term very often used for economy Globalization and to promote National economy to international economy through trade, foreign direct investment, capital flow, migration and spread of technology. Liberalization which meant liberal economy promotes privatization and decentralization for its implementation as essential parts of Globalization for its success.

Keyw ords:Globalization literally ,political forces , economy Globalization , technology.

INTRODUCTION

This process of transformation from command economy to market economy is more pronounced in former Soviet Union, east European country and to some extent in china, south Asia in its starting and with the growth of time it had been introduced in many other countries like India & others. So far as India is concerned the surprising policy reversal of 1981 witnessed the earliest manifestation of the Impact of Globalization. In contrast to previous policy of fiscal conservatism and import control for the first time India by introducing the strategy of expansionary adjustment which includes increased investment in domestic oil production and infrastructure with incentives to increase exports. This took place soon after the second oil shock and worst drought since Indian Independence which caused decrease in agricultural product from 15 to 18 % and increase in inflation up to 17% and growing fiscal deficit – 8.1 percent of G.D.P in 1980-1981. The foreign remittance in the Middle East Asia for domestic oil production demonstrated the international economy as a valuable capital and since then Govt. of India took advantage of its high credit rating to borrow from private commercial sources. The long term debt rise from \$1.7 billion in 1980 to \$22.8 in 1990 and short term debt rose from \$ 1.3 billion to 8.5 billion and total debt jumped from \$84 billion in 1980 to \$103 Billion in 1994 (World Bank, 1998 pp 280-81). The ideas of competitive Government forced the government to attract its supporter by dispensing government schemes and different subsidies which increased to 24.1% of total expenditure in 1989 which was less than 10% earlier in 1980 put tremendous pressure and to meet the fiscal deficit; current account deficit and un precedent fiscal deficit depended mostly on foreign finance. As per government declaration the total debt of India came to \$316.9 billion till June 2011.

Since 1980 India was taking the advantage and exploit Globalization to bolster its previous economic regime without attempting to reform it. Although Rajiv Gandhi initiated some modest reform measures in 1980 but

reforms marked its beginning only after 1991 balance of payment crisis. Two categories of reforms introduced for administrative decentralization firstly to attract foreign capital in financial and infrastructure by establishing independent regulatory agencies to limit Central government intervention and to curtail its arbitrariness and secondly by abolishing Industrial Licensing policy and thereby increasing the autonomy of states to compete for foreign and domestic investment. Legal sanction of Security Exchange Board of India (SEBI) in 1992 to develop general procedure and norms accessing and trading on Indian stock exchange in a manner to attract foreign and domestic investment by curtailing arbitrary intervention of central government agency, C.C.I and enhancing predictability and calculability. Similarly Telecom Regulatory Authority was established to regulate the bidding and to be the service provider in telecom which was done by the ministry of telecommunication prior to reform. The same attempt is made to establish in power and insurance sector such as I.R.D.A. to accelerate investment and enhance efficiency by 1991. This reforms not only curtails central government effort to dictate market outcome but at the same time enhance the autonomy of sub national government by empowering state and local government to issue bonds to contribute for the development of Indian Market. Recently SEBI has also made a modest contribution to debt market and mutual fund industry.

The rollback of industrial licensing policy by India enhanced the roll of sub national government in attracting foreign and domestic investment. The elimination of Industrial licensing in 1991 invalidating the industries development and regulation act of 1951 of Nehruvian economic regime ended the central government control over new investment. As the central government reforms begin to transform the state government Traditional soft budget constraints the state quest for capital has began to transform the state level politics. State government leaders on competitive basis regardless of their ideology now compete for investment providing an attractive investment and

climate with adequate infrastructure, educated labour force and going abroad with a view to convince domestic business leader to solicit their investment. In this war of winning project from foreign entrepreneurs in domestic market, the role of ex-Chief Minister of A.P. Chandrababu Naidu and ex-Chief Minister of M.P. Digvijay Singh is quite remarkable in India. We can take the case of Gujrat, Maharashtra and Odisha where the Chief Ministers are doing tremendous efforts for attracting foreign funds to their states.

The reforms, in final analysis are meant to promote efficiency in production and distribution and to integrate national economy into world economy will be a success if accompanied by similar changes in polity too. The changes requires in the polity are efficiency in governance and integrating the governing units which can be achieved by developing competitive government putting emphasis on the principle of transparency and accountability and to provide space for civil society by downsizing the government staffs and institution.

So far as the decentralization, federalization, transparency, accountability, autonomy of state and local self government constitutional status of the unit government, with much power we cannot ignore 73rd & 74th Amendment of our constitution which passed in 1992 by Narsimha Rao government and enacted on 24th April 1993. Earlier intention of the political leaders of not holding election of local self government timely and not to nurture them adequately by developing power and finances ended with the 73rd and 74th Amendment and thereby accord constitutional status to the local self government by holding election to the same, a mandatory one. 11th and 12th schedule of our constitution earmarked the areas of operation of local self government and integrated the same into overall governance system. This system have added third level to the existing two level governance in the federal structure of India, and there is no longer the problem of overlapping, devolution of authority and nor even confusion as to who should perform which function.

Attempts are also made towards transparency in administration by creating Grama Sabha in rural and ward committees in urban area where the local authorities are expected to place their accounts, report regarding progress of work for verification and reviewed by the citizens, to get feedback on people's need and to identify beneficiary under various anti-poverty programmes. Prior notice to Grama sabha / ward committee left option in hands of the citizen to participate in more numbers, promotes participatory governance and there by forced the authorities to be more accountable and to less corruptive in their performance and activities. Further Right to information Act No. – 22 of 2005 passed on 15th June, 2005 and implemented on 12th October same year is a clear cut dictatorial steps taken by government under Manmohan Singh which was initiated by Union Ministry on 2000 under Vajpayee government is highly appreciable steps to promote more transparency in the whole of administration. The official secrecy act of 1923 repealed by the implementation of R.T.I in 2005 empowered and guaranteed the citizen to have fullest possible information. To review and to recommend measures of R.T.I, commissions and authorities are created in state as well as in

national level and several time attempts are made to set up Lokpal or ombudsman at centre cover to even Prime Minister, the Chief Executive Head. Twice this bill for lokpal was introduced in the Loksabha in year 1996 and 1998 but fail to be implemented as it was kept dead by the standing committee in the name of safeguards and reforms. No doubt it is a step forward by the Indian government to put the highest executive of our state under the umbrella of accountability. The same attempt for Lokpal bill is also taken by great social worker of India Anna Hazare has been respected by the present congress government but yet not added the provisions demanded by Mr. Hazare and no action taken for its implementation at government level. However if the same attempt will continue it is sure a day will come, when the act will possibly be enacted.

Failure of the state to provide some public goods and services on a scale required at a reasonable price give rise to the various organizations in strength during the post reforms period. Withdrawal of state from certain operation downsizing of the government staffs and institution provide space for the growth of civil society. It is foolish to say civil society cover only the space left by the state rather moving into the areas where the state and private sector are working. Soon after the globalization social activist take up the cause of weaker section in particular and the community in general. These groups also increasingly resorting to public interest litigation to redress grievances against the mighty state power. NGO which are another important constituent of civil society have gone into a series of area starting from organizing the poor and looking after the welfare of old, disabled, widow, street children to provide education and health facilities, drinking water, better sanitation and other basic need in the rural and urban areas.

The regulatory or the command economy that exist prior to the adoption of economic reforms was rigid, less responsive and more inclined to the influential, resource owning and power wielding group has been replaced by the Liberal economy process and the political administrative needed to adjust to the changed situation. To say, that all the reforms or charges that took place in India owes its origin to the globalization fully or to a large extent will definitely invite criticism. Some reform may have its origin in the process of decentralization, federalization naturally. The politics developments are consistent what has been observed in other countries which adopted economic reforms as in India prove that reform took places by the process of Globalization.

Finally we can conclude that the development taking place in India as not drastic as one had expected. No doubt some space has been created for private sector and also for civil society in certain other sphere. The intention of the state to open window to the citizens to see and witness the erring corrupt political functionary and bureaucrat and there by provide good governance is appreciable. But in recent history the state in respect to human right handling of corrupt politician, bureaucrats and criminal and manner of interfering in Judicial process is not desirable in present process of reforms. Downsizing the staffs and governmental bodies must be made on the basis of qualitative aspect not on quantitative numbers and state should make sincere attempt

to transform the government institution into efficient prompt and cost effective professional service providing organization.

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