

## **GLOBALISATION AND ITS IMPACT ON TRADITIONAL MARKET ECONOMY: AN OVERVIEW OF SELECTED CASES FROM ACROSS THE WORLD**

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### **ABSTRACT**

For some people, globalization has diverse meanings. Some see it as a protest against capitalism's regulatory goal, while others see it as a social commentary. It denotes rapid flows or enhanced linkages of goods, people, symbols, technology, information, and capital across national and other boundaries, as well as disconnections, exclusion, marginalization, and dispossession. The consequences of globalization are not always bad; rather, they might have a double-edged effect. The paper attempts to examine the various negative and positive effects of globalization as well as what exactly is globalization and how can we best conceptualize this phenomenon. The paper provides an overview of various cases from around the world where it has assisted local cultural economies to expand and improve their living standards and, on the other hand, it has also led to cultural fragmentation and conflicts. The essay can be considered as making a contribution to the discussion of sustainable development and how globalization affects local cultures in both positive and bad ways.

**Keywords:** Sustainable development; local cultures; commodities.

### **Introduction**

With the use of technology, product markets, international trade in goods and services, and other factors, globalization has linked the economies of different countries. It frequently has numerous facets and both positive and bad impacts. Because it doesn't guarantee everyone's equality, whenever the local economy is integrated with the global economy resistance is more common than acceptance. Accordingly, we can say that globalization denotes accelerated flows or intensified connections of goods, people, symbols, technology, images, information, and capital

across national and other boundaries, as well as disconnections, exclusion, marginalized, and dispossession (Appadurai 1996; Ferguson 1999).

If we look at globalization from a historical perspective, some historians claim that it has been around since 1492, and specifically that of the commodities markets (Amin 2001:16; Harvey 2000:21). Others view the years between 1870 and 1914 as a precursor to globalization since they were characterized by laissez-faire policies that were appropriate for an imperialistic era. The presence of globalization and how old or recent it is have been hotly contested topics. In the ten years from 1980 to 1990, there were important multilateral organizations and agreements, the deregulation of the world's financial markets, and lowered transportation and communication costs (UNDP 1999; McMichael 2000).

However, regional imbalances and inequalities have become more prevalent as a result of globalization around the globe. High-energy social movements have been sparked by economic globalization challenges in many parts of the world, including Latin America, Canada, and the United States. Similar to this, people from the "Global South," which is considered to be a focus of social science research, including women from shanty towns, factory workers, and small farmers, have joined movements for international justice. Debt problems, conflicts over housing and land, environmental harm, and worker health difficulties have been at the forefront. Non-Traditional Commodities (NCT) have also in some cases, as a result of globalization, entered an expanded local economy where farmers have begun to export their goods. Thus, the agrarian sector in many third world nations has faced new difficulties and opportunities as a result of the spreading globalization, particularly in the realm of agriculture due to liberalization, as a pillar policy. As a result, many of the aforementioned social and economic difficulties can be overcome by diversifying agriculture to produce higher-value, more competitive commodities (Raza, 2007).

Although not all effects of globalization are consistently beneficial or negative, they might have a double-edged effect. As a result, the article examines how globalization has affected local cultural economies around the globe, resulting in remarkable changes to the people's cultural and local economic environments.

### **Case Study: Western Himalayan Agriculture: Diversity and Dynamism**

Since the late 1980s, the globalization of agriculture, particularly in South Asia, has given numerous chances for nations to increase their agricultural exports, particularly of high-value and labor-intensive goods. This was considered as a chance to improve, especially when natural resource degradation and dwindling holdings in south Asian agriculture combined with declining investment and stagnant technological advancements in main crops.

Therefore, it is believed that diversifying agriculture in favor of higher-value and more competitive commodities is a key strategy for overcoming many of these new difficulties. It is a method for understanding production risk in environments with limited land, scarce resources, and unpredictable production. The Kinnaur area of Himachal Pradesh's mountain ecology provides the clearest example of such adaptation.

Here, humans have over time adapted to regional and global economic and climatic changes by rejecting undesirable varieties of crops that were unproductive and selecting those that bring the highest productivity and financial return. The numerous shortcomings of a mountain economy can be addressed by this variety and dynamism (Pingali and Rosegrant, 1995; Ramesh, 1996; Ryan and Spencer, 2001; Von Braun, 1995).

### **The Kinnaur District**

In the state of Himachal Pradesh, the Kinnaur district makes up the southernmost portion of the Trans Himalayan Zone. The early history of the Kinnaur region is unclear in the absence of reliable historical sources, and references to the Kinnaur or Kannaura and their homeland are largely limited to stories and mythological accounts. (District Census Guidebook, 2011)

According to the district's altitude and climatic characteristics, it is separated into three agro-ecological zones. In line with Raha (1992),

This district has been separated into three distinct zones by the climate: arid, dry and moist. Arid zone encompasses the majority of the Pooh subdivision, and as a result, there is no vegetation in this area, which receives extremely little rainfall. Due to its ample monsoon rainfall and dense forest, the district's Nachar sub division is considered to be in the wet zone. The Kalpa subdivision is located in an arid zone with heavier rainfall and some vegetation. Only the lower sections of Sutlej Valley and Baspa Valley in lower Kinnaur experience monsoon rains. Due to the huge Himalayas' obstruction of the monsoon's onward migration, the region beyond Kalpa is essentially dry and nearly barren of flora (p. 286).

### **The Kinnaurese local economy has changed.**

Maize (*Zea mays*), wheat (*Triticum aestivum*), green peas (*Pisum sativum*), potatoes (*Solanum tuberosum*), legumes, and seasonal vegetables make up the majority of the agriculture in the Kinnaur district. Due to a shortage of fertile terrain, the majority of horticulture crops, including apple (*Pyrus malus*), akhrot (*Juglance regia*), aadu (*Prunus persia*), plum (*Prunus communis*), nashpati (*Pyrus communis*), badam (*Prunus amygdalus*), etc., are grown alongside other crops. The land holdings in this region are modest, and conventional farming methods are used for cultivation.

Fruit production is the only highly successful industry in this region where crop farming is not very useful due to the climate and the rough terrain. Currently, horticulture holds a prominent position in the land-use system, which is known as horti-agripastoral. Cereals such as oghla and phapra (*Fagopyrum poligonus*), rajma (*Phaseolus vulgaris* L. 'Red Kidney'), barley (*Hordeum vulgare*), maize (*Zea mays*) and kodra (*Paspalum scrobiculatum*) are grown on subsistence basis, but slowly losing ground to cash crops, in fact oghla and phapra (*Fagopyrum poligonus*) are no longer grown in the village. Chulli (*Prunus armenica*), a tree that bears wild apricots, is another tree that has disappeared from the area.

These locally cultivated crops have lost land to cash-generating crops. With apples alone accounting for more than three-fourths of the area under horticulture, cash crops are now the foundation of the economy. In addition to apples, chilgoza pine (*Pinus gerardiana*), also known as neoza locally, is another significant dry fruit that grows naturally in the region. It significantly generates significant market revenue. What is evident is a transition from a traditional, mostly static farming system to one that is diverse and dynamic that is headed by horticulture (Raza, 2007:671–27).

For the villagers, creative experimentation have also been a huge success. It was a significant step forward to cultivate new crop varieties that had never been grown in the region when green peas and potatoes were planted in the mid-1980s. Most of the area formerly used for barley production is now used for the production of green peas.

The Kinnaurese indigenous population has been significantly impacted by globalization. The amount and nature of international resource transfers are expected to change significantly as national economies increasingly integrate into global marketplaces. The Kinnaurese share the same sentiments that they should enter international markets with their goods, particularly the well-known Kinnaurese apples and neozas.

### **A Case from The Gambia, West Africa: Production and Trade of Non-Traditional Commodities (NCT).**

With the exception of a 60 km border with the Atlantic Ocean, the tiny, entirely French-speaking nation of Senegal encircles The Gambia, an English-speaking nation. The Gambia's economy is undiversified, constrained by a small domestic market, and rife with poverty.

Low income farmers' involvement in NTC production increased quickly during the 1980s. During that decade, when the prices of traditional export crops like sugar and cocoa fell, the government and development organizations encouraged many farmers to focus on high-value, "niche" crops like spices and specific vegetables. According to Hadjmichael, Rumbaugh, and Verreydt (1992), the overall foreign exchange profits from groundnuts in the Gambia decreased

from 45% in the early 1980s to 12% in 1991 and 1992. Governments and international development organizations launched initiatives to diversify export output among smallholders and other producers in response to dwindling incomes from traditional export commodities. The campaigns significantly changed the way smallholder production and marketing were organized, especially by promoting contract farming and agribusiness (Little and Watts 1994). These recent developments were a result of broader adjustments to commodity markets and systems around the world; high-value foods and exports have helped to somewhat offset declining traditional export revenues in much of the third world, including Africa. Economic experts believed that these agricultural structural adjustments were the best ways for the poorest nations to resolve their trade and agricultural problems (World Bank, 1989).

By the middle of the 1980s, The Gambia had established itself as a significant regional supplier of horticultural goods to Europe and had begun to promote NTC. 2000 (Little and Dolan). The export of horticulture products from The Gambias was (and still is) a key component of the governments' diversification strategy (Gambia 1993, p. 17–18; World Trade Organization, 2004).

### **From small-scale farmers to large-scale agriculture**

When horticulture exports in the Gambia started to boom in the 1980s, it was decided to focus on women growers since they might contribute to the country's economic development. In order to achieve this goal, a number of NGOs and development organizations specifically targeted women's gardens in The Gambia in an effort to enable them to gain access to NTCS' contract farming services (Daniels 1988; FAO991: Planas 1990). Communal gardens, small commercial producers, and export farmers are three of the production arrangements that are included in contract farming.

### **Public gardens**

The garden schemes themselves often got land from the alkalo (chief), and an eight to ten member committee, predominately made up of women, was in charge of overseeing them. Their size ranges from 2 to 15 irrigated hectares, with an average of 25 to 35 members (Little and Dolan 2000). They are situated in peri-urban villages near Banjul. Exporters prefer to use small commercial producers for other goods like Asian vegetables and communal gardens for labor-intensive crops like chilies. industrial growers.

A small but significant class of commercial growers that almost entirely focus on market production has grown over the past few years. When compared to vegetable farmers, the majority of male producers have sizable sources of non-farm income, including jobs in Banjul's government (Roth et al. 1994). These tiny export farms have agreements with these commercial

growers to grow Asian vegetables, French beans, and eggplants. Exporters give them seeds, fertilizer, and even diesel fuel in exchange for them selling their produce at a predetermined price.

### **Commercial Growers**

The farmers typically plant export crop under contract in addition to exporting their own harvest. A transnational company with an import business in the United Kingdom owns a big farming operation in the Gambia, where nearly one-third of export farms sell the majority of their export-quality product. They find this simple because it is tough for smaller businesses to acquire an international contract and secure the expensive air cargo space. In order to avoid complications with marketing and transportation, small export farmers are thus willing to sell produce at lower rates under contract (Roth et al. 1994).

African governments have pursued a reform agenda over the past nearly three decades that has favored export over domestic markets, large farms and agribusiness firms over small-scale farmers and traders, and external definitions of welfare and poverty over regional realities and perceptions. This agenda has been supported by international financial institutions and development agencies. It is clear that NTCs in The Gambia haven't done much to alleviate poverty and have produced lower earnings, serving as a symbol of European power. According to Appadurai (1986), the wealthy frequently set the terms and standards for goods that the poor manufacture. This is an example of European hegemony.

### **Māori: A Case Study of Economic Inequality and Cultural Fragmentation in New Zealand**

The earliest tangata whenua, or "people of the land," arrived in New Zealand from East Polynesia more than 1,000 years ago (Henare, 2000). Currently, this indigenous community, now referred to as Mori, makes about 15% of the population of New Zealand (Statistics NZ, 2014a). Mori have a significant impact on New Zealand's social, political, and cultural landscape. To differentiate Mori from the European Pkeh, the title and identity of "Mori" did not, however, develop until the arrival of Europeans in 1769.

Mori culture and way of life underwent change in the 20th century. After World War II, there was a tremendous transition from a tribal society that was predominately rural to one that was mostly urban. 80 percent of Māori people lived in rural areas and tribal homelands in the 1930s (Pool, 1991), but by the 1970s, most Māori people were living in cities (Statistics NZ, 2012). The structure of Māori groupings and Māori identity were significantly impacted by this rapid urbanization, and the effects may still be seen in modern iwi identification patterns. Urban life offered the Māori an alluring alternative, and a number of reasons, such as a faltering rural economy and an overpopulation of land resources, contributed to urbanization. The ability to

engage in traditional tribal life was lost for people who relocated to urban areas, weakening iwi identities (Rarere, 2012).

The Maori underwent a political and economic reorganization beginning in 1980 and continuing to the present. The Mori people have experienced a resurgence of cultural customs and pride in their Mori identity throughout this time, as well as an increase in their political and economic clout. The results of the period of revitalization have been radically disparate, with some experiencing significant material and cultural benefits while others have been left behind or even worse affected.

### **Tribal capitalism and economic inequality**

In the 1970s and 1980s, the indigenous Māori movement significantly influenced New Zealand politics. Numerous cultural and economic compromises were made as a result of this. The Māori today control a third of New Zealand's fisheries, but in an unequal manner, and those Māori who do not have genealogical connections to the central lineages control capital. More seriously, those Māori who do not have genealogical connections to the central lineages are those who do not have access to the fisheries, creating a new hierarchy of control within the tribal units.

The society is divided into micro and macro classes as a result of this intricate process of double polarization, cultural fragmentation, and the development of transnational economic, social, and cultural networks.

### **Conclusion**

As for economics, the biggest challenge is poverty, and the surest route to sustained poverty alleviation is economic growth. In all three of the cases discussed here, the local populations have tried to escape poverty and create new inroads towards self reliance and growth. However, as stated earlier, globalization has created a multipolar world and countries have moved forward accepting the new order of development and economic growth.

What is seen is that the traditional, almost static farming has almost changed into a diversified and dynamic horticulture led system. On the whole the agricultural production has changed due to the Kinnaurese tribals' efforts to maximize production at the expense of losing local crops like Ogla and Phapra. Crops like apple and neoza considerably brings in heavy cash from the market have replaced the lands occupied by the local crops.

The groundnuts that once made up the largest market share were replaced by the niche crops - spices and vegetables - but the most important change in the process of globalization was the structural change brought about to diversify export product. Values attached to certain

commodities reflect power relations that frequently constrain local communities to produce for global markets, which in turn is tied to large scale politics.

Lastly, the Māoris have been a victim of class stratification caused by a combination of impoverishment and enrichment of the capitalist class. The Māori elite fought an aggressive legal campaign during the 1990s for kin-based tribes as opposed to non-kin urban Maori collectives, to be recognized as the legitimate inheritors of the traditional tribes and therefore eligible to receive Treaty settlements, one culminating in 'the 1998 High Court decision that "iwi" means "tribes" and tribes existing and recognized in 1840' (Rata, 2000: 668). This 'cultural identity politics of indigenous people where class is the determining element in identity construction and political alliance building' (Steur, 2005: 175) is a process well documented in the literature (Larson and Zalanga ,2003) and can be seen in New Zealand as elsewhere, indigeneity serves as a class-reconfiguration strategy in two ways: it divides ordinary tribal Maori from other working-class people and it provides greater power and legitimacy to the emergent tribal elite as a capitalist class. Thus class and ethnicity are the two patterns that emerge from the dynamics of globalization that bring in inequalities and division of resources amongst the Māoris.

Local industries that were already struggling were made even worse off by the dumping of goods from overseas markets at lower costs, which either forced them to shut down or scale back their output.

Global markets for these Mexican handicrafts have helped many Oaxacan families to increase their income and improve their standard of living; even the worst-off artisans are better off than they were before. However, the effects of globalization cannot be universally said to be negative; they can have a double edge. (2002) 239 Chibnik. Global markets have protected them from destruction by providing a platform where their wood carvings can be sold for more money.

Whether one agrees with globalization or not, it is a fact of today's world that must be accepted. For some people, globalization means different things. It is a notion that, in the business world, enabled manufacturing and marketing chains to grow rapidly. It serves as a conduit for the transfer of technologies, increased trade, and money movements in economics. International ties and links of cultural exchange are important from an anthropological perspective.