

*Review*

# Globalisation and social transformation in India: Theorising the transition

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Globalisation came to India through the economic reforms and is gradually transforming our culture and self image. This paper proposes to theorise the transition of the Indian economy and situate the process of economic liberalisation in India in its wider context. The distinction between globalisation as a process and globalisation as a project is made. While the economic reforms of the 1990s stimulated growth, the direct beneficiaries were more affluent urban dwellers. Social reform has lagged behind economic reform. The paradigm shift in the Indian planning from growth with stability and social justice to neo-liberal development is traced. This is linked to the theoretical discourses on globalisation and their applicability in the Indian context.

**Key words:** Globalisation, liberalisation, social transformation, India.

## INTRODUCTION

When Marx and Engels (1848) wrote the political slogan: "Workers of the world, unite", they gave a vision of unified world capitalism and were very close to the theme of today's theorists on globalisation. They were among the first writers to treat the international economy as a dynamic category, in which both states and regions were affected by international trends. Thus globalisation as a process has a long history but globalisation as a project of the North to capture the markets of the South is comparatively a new developmental strategy. When the World Bank in 1996 had to justify the introduction of the market into the countries of the former Communist bloc, it is ironical that it chose a passage from the same *Communist Manifesto* in which the young radical Marx and Engels recognized the radicalism of the new capitalist order:

".... The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere".

This was the time, as early as 1848, when the globe had become a part of discourse on society and culture. It implied a generic transformation of the world. Today when we talk of historical transformation, globalisation, through liberalisation and economic reforms, comes as

the main process causing change and crisis. The most important issue which dominates our socio-political, cultural and economic horizon is that of globalisation.

Economic globalization has a long history, but in its commercial age it was nation-based, produce was generally according to the needs and benefits trickled down to the masses. With the advent of capitalism, its character changed. Production became unplanned. When it accumulated in excess, markets slid down into depression in cyclical fashion every 25 to 30 years. Economic globalization can be best seen as the more advanced form of capitalism.

Liberalisation and globalisation came to India through the economic reform and is gradually transforming our culture and self image. Capital worked hard at promotion of neoliberal policies and finally succeeded. This paper proposes to theorise the transition of the Indian economy and situate the process of economic liberalisation in India in its wider context and in a long-term perspective. The structural shifts within the World economy had implications on the process and the nature of India's integration to this global system. Contemporary globalisation became a neo-liberal project. It is a political project characterized by the dominance of neo-liberal capitalism, by which the speed and intensity of global flows have increased.

The theories and discourses on social change and

transformation till 1970s and 1980s were largely associated with industrialisation and the gaps between the rich and poor nations. Marx and many other scientists discussed the Industrial and French Revolutions and their social ramifications. Some influential global paradigms in sociology on social transformation were: Modernisation theory which propagated an urban, industrial milieu for modernity; Dependency theory postulated that underdevelopment in the periphery was the direct result of the historically evolving structures of capitalism, the World System Theory viewed nations in relation to their placement within a global division of labour between core, periphery and semi periphery. The new literature on globalisation moves beyond the poor versus the rich nations and lays emphasis on how interconnected and integrated the world has become. The early 1970s breakdown of the Bretton Woods system of fixed exchange rates and national controls of capital flows marked a major watershed in the globalisation of trade, finance and investment.

### **Birth of a global society**

The recent history of liberalisation in India can be located within the longer history of global capitalism. The Great Depression of the 1930s and the destruction during Second World War were followed by a new phase of capitalism. The Depression marked the end of British economic power. America defined the terms of post-war reconstruction. By the 1970s the post-war boom was over, the American economy faced a crisis. The United States had sustained its military expenditure and international commitments through monetary expansion, and which led to inflationary pressures. Subsequent efforts at monetary regulation, that is, increasing of interest rates and restriction of money supply to curb inflation slowed economic activity. While the recession of the 1930s destroyed British hegemony over the world economy, politico-economic developments during the 1970s and early 1980s questioned the basis of American power. The 1980s became a period of re-negotiation of international economic order.

These shifts in the structure of world economy and the trends towards globalisation crucially affected the third world. International finance, an important mechanism of global integration, came to define the cycles and rhythms of the new international order. The multinational corporations and the financial institutions, like the IMF and the World Bank, started playing a major role in defining the shape of the global order and the internal economy of the debtor countries like India.

### **Developmental path of Indian economy**

The people of India, after independence, voted for

democratic planning and mixed economy model of development. Nehru went with a planned economy because soon after the epic independence struggle people would have not accepted another form of colonization. The term „permit-license quota“ Raj was used to describe the system of State-directed economic development planning instituted under Nehru. India took to the middle path of „growth with equity“ which was sought to be achieved through a growing and dominant public sector covering the basic strategic and core industries. The State’s catalytic, participatory and regulatory roles in bringing about planned socio-economic development of the country matched the blossoming and growth of the public sector into the pivotal sector of the Indian economy.

The move toward liberalisation of the Indian economy and dismantling of Nehruvian State-directed planning took place under Indira Gandhi with some relaxation of price controls, import restrictions, and creation and expansion of industries and industrial capacity. Rajiv Gandhi seemed much more favourably inclined to free market principles and began a process of liberalisation of the system of import controls and „licensing regulations“ and limitations on the expansion of existing industrial enterprises. There was a sudden spurt in industrial production in the sphere of consumer durables and a corresponding „consumer boom“. For a while, it appeared that the Indian economy was on a new growth path, but it was short-lived. India had to turn to the World Bank and the IMF for help. India managed to do without this help very soon and then embarked on a course of cautious liberalisation.

What was started under Indira Gandhi in the early 1980s was taken further by Rajiv Gandhi in the second half of the decade. It was christened as India’s „New Economic Policy“ (NEP) to take the country into twenty-first century. The NEP was intended to revive Indian industrial growth which after the impressive performance in the fifties and early sixties, had virtually stagnated. The liberalisation of the 1980s had resulted in jobless growth, declining employment and a huge debt. This was a period of intermittent incremental liberalisation.

The external debt crisis, which surfaced in early 1991, brought India close to default in meeting its international payments obligations. The balance of payments situation was almost unmanageable and the rate of inflation was high. The underlying fiscal crisis was acute. It was the outcome of persistent mistakes in economic policy that accumulated through the 1980s. Fiscal deficits met by borrowing at home, mounted steadily. Also the receipts from foreigners, in hard currencies like the US dollar, were less than payments to foreigners leading to current account deficits in the balance of payments. It led to borrowing abroad which grew larger steadily. The internal imbalance in public finance led to a rapid accumulation of internal debt that the government owed to its people.

Besides the economic factors, there were some

political factors also according to Jalan (1991) which had a bearing on the economic crisis that surfaced in June 1991, the breakdown in law and order following the announcement of implementation of the Mandal Commission report, the Ram Janambhoomi-Babri Masjid conflict in Ayodhya, and the fall of the V.P. Singh Government in November 1990.

### **Economic reforms since 1991**

The Government of India adopted policies of globalisation, liberalisation and market economy in the wake of the serious economic crisis that enveloped the country by the middle of 1991. The crisis situation led the government in June 1991 to pursue the New Economic Policy (NEP), based on stabilisation and Structural Adjustment Programmes (SAP) in which, in return for loans, the Government of India undertook to reduce its role in the economy through a policy of liberalisation, deregulation, privatisation and globalisation.

There are two distinct analytical steps to these reforms: (1) A macro-economic stabilisation programme (IMF inspired) essentially focusing on reducing the twin deficits on balance of payments and on the State budget in the short run, and (2) Structural Adjustment Programme (World Bank inspired) in the fields of trade, industry, foreign investments, public sector and financial sector.

“Structural adjustment and reform seeks to shift resources:

From the non-traded goods sector to the traded goods sector and within the latter from import-competing activities to export activities, and from the government sector to the private sector. Apart from such resource allocation, structural reform seeks to improve resource utilisation by:

- (i) Increasing the degree of openness of the economy; and
  - (ii) Changing the structure of incentives and institutions in favour of private initiative and against state intervention.
- The general economic philosophy is to rely more on market forces, dismantle controls as far as possible by relying more on prices and wind down the public sector in the hope that the vacuum will be filled by the private sector” (Bhaduri and Nayyar 1996: 33).

In conformity with the „Washington Consensus“, the Government of India embarked on a wide-ranging reform of the policy regime beginning in July 1991. Structural policy changes that came about as a result were in relation to the industrial sector, the trade regime, foreign investment, foreign technology, the public sector, and the financial sector.

The structural reforms implemented by the government

represent a radical departure from the development strategy of the past four decades. The reform process, which began in early 1990s, was not India’s first experiment with economic liberalisation. The first attempt was a short-lived episode of hesitant liberalisation in the mid 1960s, which coincided with substantial devaluation of the rupee. The second endeavour was in late 1970s with a focus on trade liberalisation in a comfortable balance of payments situation. The third step was the package of economic policies introduced in the mid-1980s when liberalisation of trade regime gathered momentum and the process of industrial deregulation were set in motion. These liberalisation episodes were perceived as correctives for an industrializing economy in transition but did not contemplate any fundamental changes in the objectives or the strategy of development. However, the changes in 1991 were significant enough to be characterized as a shift of paradigm.

It is worth highlighting three dimensions of the contrast between the past and the present. First, focus on efficiency and growth in the economy rather than on growth with social justice as in the past. Secondly, reducing the role of the State in the economy as it had led to inefficiencies, and placing a great reliance on market forces in the process of economic growth and development. Thirdly, integrating the Indian economy into the world economy, as this would bring in competitive pressures to force Indian firms to modernise and upgrade their technologies, lead to the benefits of specialization based on the international division of labour, and make the latest products available to the Indian consumer who had till date put up with shoddy local goods, and in due course, the difference between Indian and world prices would disappear as India became completely integrated into the world system of production.

The paradigm shift in the Indian planning from „growth with stability“ to „growth with social justice“ to „empowerment with development“ and finally to „neo-liberal development“ is clearly perceptible. The core of the new paradigm of neo-liberal development is that economic activity should not be guided by physical controls or State intervention. Instead, decisions about investment, production and consumption should be based on relative prices and the market mechanism, what is more, is that world prices should be the basic determinant of resource allocation. The consequent restructuring of the economy, it is presumed, would impart both efficiency and dynamism to the growth process. Rapid economic growth, it is hoped, would lead to an eradication of absolute poverty.

In sum, the salient features of the new economic reforms are:

1. Export promotion as against import substitution.
2. Reliance on the market in place of direction by state.
3. Prominence for the private sector instead of dominance by the public sector.

4. Openness for international economy and to foreign capital rather than accent a protected domestic activities.

The process of economic reform is either „strategy-based“ or „crises driven“. The reform process in India did not become strategy-based. It was neither shaped by the economic priorities of the ordinary people, nor did it have a long-term view in terms of development objectives. It was crises-driven. Economic reform, which is crises-driven, irrespective of whether the crises is an external shock or an internal convulsion, is more difficult to sustain and less likely to succeed.

### Theorisations on globalization

Globalisation is the new regime of tempo-spatial connectedness and joining of societies and nation-states. It strives to make the world as its market where all the people are being brought as buyer and seller in unequal terms.

Held et al. (1999) identify three theoretical positions in relation to globalization, those of the hyperglobalisers, the skeptics and the transformationalists. Hyperglobalisers argue that globalisation is a real and powerful phenomenon and represents an unprecedented change in recent years, so that global flows have undermined the existence of the nation-state. They are primarily concerned with politics and power. Sceptics like Hirst and Thompson argue that the idea of globalisation is overrated and that current levels of interconnectedness are not unprecedented. Some skeptics focus instead on processes of regionalization which are intensifying activity within major financial and trade groups. Transformationalists see globalisation as primarily a social phenomenon and analyse it in terms of qualitative change and that it is transforming many aspects of the current global order but the old patterns still remain. Now let us analyze some of the approaches to globalisation and their applicability in the Indian context.

Wallerstein (1974) has stressed the centrality of capitalism to the process of globalisation (both past and present). For him, the logic of historical capitalism is necessarily global in reach. The entire globe is operating within the frame work of singular social division of labour

called the capitalist world economy. The world economy is conceived as having a distinctive, unequal structural arrangement with core, semi-peripheral and peripheral areas each of which has a specific functional role in sustaining an overall integrity of the system. The economy, therefore, embraces both processes of global integration and fragmentation, which produces instabilities and contradictions, which Wallerstein believes, will eventually lead to its collapse.

Giddens (1990) and Robertson (1992) conceptualized globalisation in terms of cultural economy perspective, that is, as a process of historic progression of the world. Instead of a single casual logic, they stress the multiple

causal logics of globalisation as a historical process. Giddens points to four discrete and intersecting dimensions of globalisation: capitalism, industrialism, surveillance and militarism. He considers globalisation as a consequence of modernity. It involves „time-space distancing“ and „disembedding“ of social relations. The increased interconnectedness leads to reflexivity that is increase in global awareness and consciousness. Even in India, especially the urban India, social activity is constantly informed by flows of information and analysis which subject it to continuous revision and thereby constitute and reproduce it. Global migrations, both legal and illegal, have forced a rethinking on the concept of citizenship. The notion of dual citizenship, which Vajpayee and also Manmohan Singh promised in the *Pravasiya Bhartiya Diwas*, is the result of such reflexive processes in India.

The world is being increasingly characterized by extensive connectivity or interrelatedness and extensive global consciousness, a consciousness which continues to be more reflexive. Robertson (1992) defines globalisation as:

“Globalisation as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole.....both concrete global interdependence and consciousness of global whole in the twentieth century”.

The first part of the definition, global compression, resembles the arguments of theories of dependency and world-systems. It refers to increasing level of interdependence between national systems by way of trade, military alliance and cultural imperialism. For Wallerstein, the globe has been undergoing social compression since 16th century but Robertson says its history is much longer. India has always had trade relations and cultural exchanges with people away from the “geographical expression” called India. We have redefined and relativised our culture and society over a period of time because of these contacts. Contemporary globalisation initiated because of economic reforms has deepened and intensified the contact. The essential character of globalisation resides here in the consciousness of the global that is, consciousness by individuals of the global situation specifically that the world is an arena in which we all participate.

Robertson illustrates essential processes of relativisation involved in the progression toward the experience of globality. India is also witnessing the relativisation of societies and the Indian State is of course not withering away but becoming increasingly regulatory rather than being interventionist. Based on Robertson’s arguments of two interpenetrating processes, India is also witnessing the universalisation of particularism (as in the nation-state) and the particularization of universalism (the appropriation of the universal in local contexts, such

as unisex wardrobe and Valentine's Day celebrations in India). Robertson's concept of „glocalisation" explains many such phenomena in India. There is a reassertion of local identity, culture and economy with demand for protectionism and religious revival. What Shiv Sena is asking for in Maharashtra is an example. Giddens (2000) also talks of tension between local revivals and globalisation when he talks of fundamentalism vs. cosmopolitan tolerance. McDonald's in India is another example of how globalisation has become localized. Beef and pork burgers are not sold in India for obvious reasons. Even pizzas in India with typically Indian garnishing are sold.

While trying to understand the global culture, Appadurai (1996) talks about „ethnoscape", that is, landscape of persons who constitute the shifting world in which we live: tourists, immigrants, refugees, exiles and other moving groups and persons. He talks about „technoscape", that is, the global configuration of technology that moves at high speeds across various kinds of previously impervious boundaries. He also talks about „mediascape", which refers to the distribution of electronic capabilities to produce and disseminate information, are now available throughout the world. Ideoscape means flow of ideas and ideologies. The point that Appadurai wants to make is that the combination of ethnoscape, technoscape, mediascape and ideoscape lead to the globalisation of culture.

Appadurai considers globalisation as disjuncture, where global cultural system produced a vision of cultural confusion and chaos. I argue that it is not disjuncture or disorder but continuity in the form of creolisation and change of cultural identities. Mingling of cultures leads to fusion and new products (Hannerz, 1992). Take the example of *Hinglish*, a language formed by the mixing of English and Hindi languages. This is an example of cultural hybridization in India. The deterritorialized Indian ethnic diaspora in the Silicon Valley in the US and Keralites plumbers and waiters in Dubai acquire transnational cultural traits leading to the process of cultural hybridisation.

Castells (1996) argues that globalisation and informationalism have contributed to a new experience of time and place in the network society of the „age of information". This borderless and timeless society creates changing networks of social interaction and produces new social relationships. This can be applied in analyzing the Indian context. The internet, the mass media and ICT in India have dissolved boundaries and got people closer and changed the social interaction pattern, now based more on capital and symbols. They have produced new virtual and electronic relationships on social networking sites. Technological advances have altered the social and economic life.

Oommen (1998) talks of cultural impact of globalisation and the "Birth of a New World Society". According to him, the consequences of globalisation could be discerned

through four interrelated processes - homogenisation, pluralisation, traditionalisation and hybridisation. The process of homogenisation of cultural patterns and institutional arrangements initiated by the revolution in transport and communication, accelerated by the modernisation project, climaxed with the onset of globalisation. In the cultural context, homogenisation manifests in evolving a common lifestyle and consumption pattern, that is, dress (For example, jeans), food (For example, McDonalds), music (For example, popularity of Michael Jackson). However, homogenisation is more visible in certain other contexts: nuclear family, monogamous marriages, parliamentary democracy, private property and western technology. The homogenisation process is characterised by displacement syndrome, that is, movement towards homogenisation is taking place through the process of displacement. For example, South Indians are wearing *pyjama* and not only *lungi*. Some of the old elements are displaced but some others are retained and new elements are added.

Oommen also talks of the process of pluralisation accompanied by Accretion Syndrome. Pluralisation concedes and commends the co-existence of a variety of consumption and institutional patterns. For example, along with Mc.Donalds, other modern varieties of junk food and along with Michael Jackson's other recent styles of pop music come to be accommodated. Thus, pluralisation created a space for a variety of life-patterns and institutions, that is, accretion.

The hegemonising tendency of globalisation gives birth to a loss of meaning and an erosion of identity to the non-west. This leads to the resurrection of roots, a search for identity, a process of traditionalisation accompanied by revivalistic syndrome. Globalisation, thus, proffers fundamentalism. Finally, Oommen, talks of the process of hybridisation with mutation syndrome. The crossbreeding of the traditional and the modern, the local and the global gives birth to hybridization which creates new cultural elements and social patterns which are neither traditional nor modern, neither local nor global. The four processes, operating independently and in interaction give birth to a new world society. It is not a movement from tradition to modernity, simplicity to complexity, and heterogeneity to homogeneity, but it produces new permutations and combinations giving birth to variety and pluralism.

### Social and cultural consequences

All countries following neoliberal policies follow the IMF line which thrusts export promotion at the cost of real development and import substitution. Structural adjustment is an essential part of program and leads to misery and food riots. IMF has a record of leaving devastation behind in Africa and Asia. Neoliberals never worry about the poor or welfare, culture or ecology.

The Economic Reforms in India made India integrated with the world market, liberated from constraints of time, space and currency. It brought about changes in patterns of communication, technology, production and consumption, which in turn led to gradual transformation in caste, tribe, family, village and occupational structure or to put it generally, the way in which people live and work. This is because people, capital, goods, information and images are flowing around the globe at an intensified speed. Appadurai's cultural flows, in terms of ethnoscapas, mediascapas, financescapas, technoscapas and ideoscapas, are happening in India. This is erasing diversities of our culture and economic entity and transforming our thought systems. Coke, McDonalds, Nike, Ford and other international products are being consumed by the middle and upper class Indians. All these are not causing homogenization but a *mélange* culture leading to a postmodern world of differences, disjuncture, new social movements and pluralisation.

### **Widening disparities and violence**

Liberalisation has often been identified as a new form of economic imperialism of technologically advanced, richer and stronger nations as against the relatively underdeveloped, poorer and weaker ones. Liberalisation as a policy is not congenial to poverty-alleviation but poverty-perpetuation through exploitation of all sorts. While the economic reforms of the 1990s did much to liberalise and stimulate growth, the direct beneficiaries were more affluent urban dwellers. Social reforms have lagged behind economic reforms. The trajectory of development with the LPG model now has created two India – one that has access to modern state, technology, market and the other which is way behind. With the withdrawal of the State in education and health sectors, the divide between the two India has increased creating crises. It has resulted into social oppression and brutalisation of the poor. India seems to be distancing itself from Gandhian principles of bridging the gap between the metropolises and the countryside. The chasm between glittering upper class lifestyle of cities and rural poverty is increasing day by day. The widening of regional and interstate disparities during the 1990s, despite overall economic liberalisation, highlights the importance of strengthening slow-growing states. Wealth is generally more concentrated in urban rather than rural areas where the majority of Indians live. Economic growth also tends to be higher in wealthier states in the south and west such as Gujarat and Maharashtra than poorer states like Bihar, Orissa, and Uttar Pradesh in the north and east. Investment naturally flock to the more developed regions equipped with infrastructure advantages. Additionally, with mounting pressure from internal migration from states like Bihar, investing in

human development and poverty reduction in states left behind is key to enhancing the national stability that allows liberalisation and growth to proceed. Besides inequality and exclusion, another darker side of globalisation is violence. It leads to violence of all kinds – physical, in terms of displacement of people by developmental projects and also ethnic upsurges (creation of Special Economic Zones and land acquisition has led to more Maoist violence) (Pandey 2010a), against children, in the form of child labour; and against women, minorities and marginalised.

Urban middle class has benefitted from the fast growth of white-collar jobs in IT sector, but the blue-collar jobs in India's manufacturing sector have grown only marginally. This causes widening disparities not only between classes but also different sectors of the economy leading to social crises. There are many unintended consequences which the technological growth in India, leading to a risk society which Beck (1992) had talked of. Besides global environmental risks (For example, global warming) and health risks (GM food), the contemporary social life has been witnessing a series of changes leading to social crisis, such as erosion of traditional family norms, many unconventional jobs and heightened job insecurity, multi-cultural identity amidst global signs and images and shifting employment patterns. All these are socially disruptive and bring tension to the fabric of society.

### **Income inequality and brewing tension**

Globalisation gives a premium to people with high levels of education and entrepreneurial skills, who are better equipped to survive and succeed in a competitive world. As a consequence, the unskilled labour, uneducated workers and marginalised population are likely to benefit less in a more competitive economy with both public and private players in the market. The economic reforms have meant loss of livelihood to many people in traditional jobs like rag-picking (because of import of waste paper from developed countries), silk-spinning (because of Chinese thread and yarn), vendors and hawkers in cities (because of FDIs and super-markets) etc.

Thus income and wealth inequality is amplified. If economic growth is to continue, employment opportunities must be made available to India's rural poor. India must strengthen labour-intensive industries like manufacturing if it is to reduce poverty and increase growth in rural areas. Fewer workers are being employed in the agriculture sector as the use of machinery and labour-reducing cropping techniques have increased. Only around 0.1% of India's population are benefiting from employment in India's rapidly growing outsourcing, IT, and services industries. In the globalized version of capitalism, people of the countries where corporations are headquartered are also ignored through outsourcing,

because wages in countries such as India, China and the Far East are very low and the difference goes into the corporate pockets. The lives of these IT professionals, business executives and managers have become very stressful because of excessive pressure to efficiently perform and compete in this „hire and fire“ environment.

### Digital divide

Social transformation is happening because the economic reform measures have affected the lifestyle of the Indian urban middle class (Pandey 2010b). It is believed that they would gradually percolate down to the villages. Globalisation provides a useful means to develop technologies necessary for production of goods and services that improve our well-being. The new economy focuses on technological progress, increasing opportunities and increasing use of computing and information technologies. The internet access is differentiated by location, social class, gender, ethnicity, age and education, collectively referred to as digital divide. (Castells, 2001). The Information, Communication, Technology (ICT) plays an important role in shaping uneven development within the economy. In India the development of the „shrinking world“ due to „time-space compression“ has led to new social divisions between those who have access to ICT and those marginalised from them.

### Reservation policy undermined

While caste is often portrayed as a feature of Indian life of fading importance, and one concentrated in rural areas, the caste system continues to assert itself through social inequalities and voting patterns. Efforts to address caste inequalities by affirmative action have been mixed and are confined to the shrinking public sector. The increased competition of economic liberalisation has worked to further undermine caste privilege in business circles by creating the need to hire based on merit rather than caste. Although there is an ongoing debate to introduce reservation policy in the private and corporate sector, nothing much could be done because of the fierce resistance from them.

### Culture of consumption and environmental impact

Economic reforms in India in pursuit of globalisation have made the country a consumer society. There is also a growing culture of consumerism and also commodification of culture (Pandey 2010). Indian urban life has been transformed with a new found consumer spirit and the burgeoning information technology industry. While the social consequences of this consumerism boom are frightening enough, the environmental

implications are also serious. The rapid rise in production of luxury goods has serious ecological consequences from resource extraction (mining, tree-felling, etc.) to production (pollution, working hazards, etc.). Besides consumption, environmental impacts are too felt in the increasing wastes, which are generated. In this respect, the phenomenal rise in the use of plastics, detergents, and other non-biodegradable or hazardous materials in the last few years are alarming.

Thus, the economic reforms in India accelerated flows and connectedness of people, goods, technology, information and capital. At the same time, globalisation has intensified exclusion, marginalisation and disconnections among different class of people, regions and city and countryside. Different people are looking at the reforms from their own perspectives. The upper class is very happy with the ongoing reform process. They have more televisions, more channels on cables, more imported goods and so on. Nobody is any longer ashamed of conspicuous consumption. The middle class is seeing this as an opportunity of its advancement to the upper class. Many feel making money one way or the other will get them into the high consumption category. The lower classes want jobs and less inflation. The economic reforms have created mutually opposed tendencies like universalisation and particularisation, homogenisation and differentiation, integration and hybridisation in India. They transformed ailing developing economy into a market economy, attracting foreign direct investment but far away from self-reliant and indigenous development. It would not be out of place to mention Freire (1970) here who exhorted, though in a different context: we need to embark on „a fierce struggle to re-create the world“ (Words: 5256).

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