

**GLOBALIZATION AND ITS ECONOMIC IMPACT ON THE GROWTH OF INDIAN
RURAL CORPORATE SECTOR'S GOVERNANCE AND ENTREPRENEURS
(IN THE PRESENT CONTEXT)**

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ABSTRACT

'Globalization' is connecting the corporate world countries like a global village, globalisation is the making global countries nearer to trade, finance, governance, rules and regulations, which leads to the increase in interdependence of the countries' economies around the world, by the usage of digitalisation in most of the corporate sector, has paved way for the growth of the e-commerce in the corporate sector, there are UDC's (Under Developed Countries) and the developed economies in the world, we can find more rural areas in the underdeveloped economies compared to developed economies, ex: in European countries we can find more urban areas percentage than rural areas, moreover most of the countries in the world including India is connected more to each other countries, by political relations, economic relations, social and ideological, export and import relations in the especially the immense rise in the flow of capital and the rapid development of world trade. In one way or another, countries all over the world are becoming interconnected on each other. With the influence of MNC'S (Multi National Companies) and FDI (Foreign Direct Investment) from various nations citizens and the FPI'S from various countries has made India to depend more on foreign exchange rates, balance of payments equilibrium, but globalization has also influenced in most parts of the world where some regional and domestic entrepreneurs are facing various challenges to overcome the competition from the foreign high quality products, but globalisation has led to improvement in collection of corporate tax in Indian states, The study of the

research paper explains the investments, constraints faced by the government to manage corporate governance which include private sector and public sector another side, because corporate tax and growth is essential for the economic growth of a nation and public social welfare is essential for the wellbeing of the citizens of a nation.

Key words: Globalisation, E-commerce and Rural corporate sector and MSME's growth.

I INTRODUCTION

India is the fastest developing nation in the world and one of the top economies in Asia and the world, and has more influence by the top corporate investors from India and the world, Most of the underdeveloped economies in the world does not have access to the internet, even most of the resources of underdeveloped economies resources are controlled by the MNC's (Multi National Companies), invested by the developed nations like US, Japan and European nations investors, so the rural entrepreneurs may face the huge competition from them and market inflexibility. India has huge advantage in the man power, but still more than 55% of the Indian population still leave in rural areas, where globalisation has led to rural businessman and the rural investors to rethink their strategy in the modern era of globalisation. India has 7th largest geographical area in the world and has more absolute advantage in growth of corporate governance in service sector, ex: banking and academics, educational services and hospitality, corporate investments, but we have seen lot of foreign invested international educational institutions and international FPI's (Foreign Portfolio Investments), FDI (Foreign Direct Investment) in all of these sectors in India, ex: Gujarat and Maharashtra are the favourite destinations for attracting investments all over the world, even in metro cities like Bangalore, Hyderabad, Mumbai, New Delhi cities have lot of attractions in the investment from the MNC's (Multi National Companies), it has made the local and small entrepreneurs and investors in these metro cities have closed their firms, ex: cable operators, small shop owners, small investors and MSME's (Micro Small Medium Enterprises) and need to join to work under MNC's (Multi National Companies), due to heavy competition and imperfect market conditions. More than 40% of the GDP "Gross Domestic Product" is contributed by the MSME's in

India. According to the recent statistics, India has more than 63 million MSMEs. They account for nearly 40 per cent of India's total exports, about 6.11 per cent of the country's manufacturing GDP. MSMEs contribute to 24.63 per cent of the GDP from services sector in India. Where in the rural entrepreneurs are the major investors in villages and short towns. Indian rural population “percentage of total population present in India was reported at 65.07 % in 2019-2020, according to the statistics of the “world Bank report” so India has to invest more in rural areas.

II REVIEW OF LITERATURE

WHO: Globalization can be defined as the increased interconnectedness and interdependence of peoples and countries.

Ulrich Beck: “Globalization is not only something that will concern and threaten us in the future, but something that is taking place in the present and to which we must first open our eyes.”

Gabrielle O'Donovan: *defines* corporate governance as “an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business.

III NEED OF THE STUDY

1 The globalisation has made the rural economy in Indian entrepreneurs to incur loss or to get less demand for their products, due to huge competition from expert foreign products and rural governance has to take step to balance both public sector and corporate governance.

2 Globalisation has some positive effect by creating jobs, by increasing corporate investment, but due to technical inclusion by the MNC'S in urban areas, it can lead to more preference to technology favour rather than labour preference.

IV STATEMENT OF PROBLEM

Overall Rural Entrepreneurs in India are facing more uncertainty for balancing the investments and profits in the form of returns, India as a developing economy, is best example for the globalisation

impact, before 1991 “LPG” Liberalisation, Privatisation and the Globalisation, there huge quantity of small sellers of primary and tertiary services products and outcomes, but after LPG in 1991, only few strong firms or Industries could sustain, remaining weaker sellers, vendors became the supply of raw materials or semi finished goods and materials, with strong corporate involvement in all secondary and tertiary sectors in India. The statement of problem in the context is difficulties faced by the rural businessman, or the rural investor in the global monopolistic competition due to corporate investments in the global standards.

V OBJECTIVES OF THE STUDY

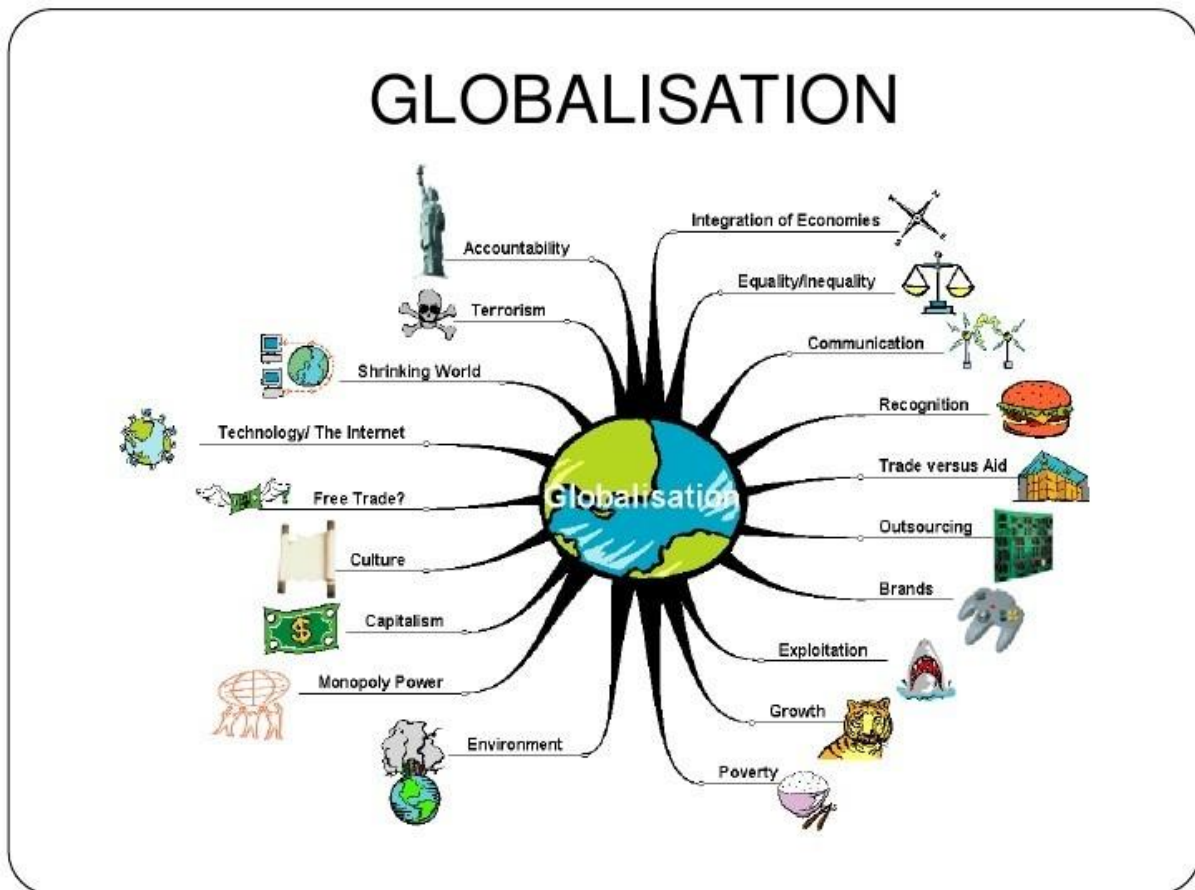
1. To increase the Indian government investments in the rural areas and to create more job opportunities in the public sector companies or industries, so that the domination of private MNC'S can be reduced.
2. India has to increase the digitalisation in the rural areas too, as some private companies have already increased digital inclusion in urban areas for the profit motive.

VI RESEARCH METHODOLOGY

This research output is the outcome of an overview conducted on Globalisation and its impact in Indian Governance to manage both public and private sectors, opportunities to develop of rural India, trade and making India's goal 'India Self Reliant Economy' or 'Atmanirbhar Bharat' on 12th may 2020 in the Indian context experimental approach, during pandemic situation, it uses secondary data for analysis, discussion with expert part of research work.

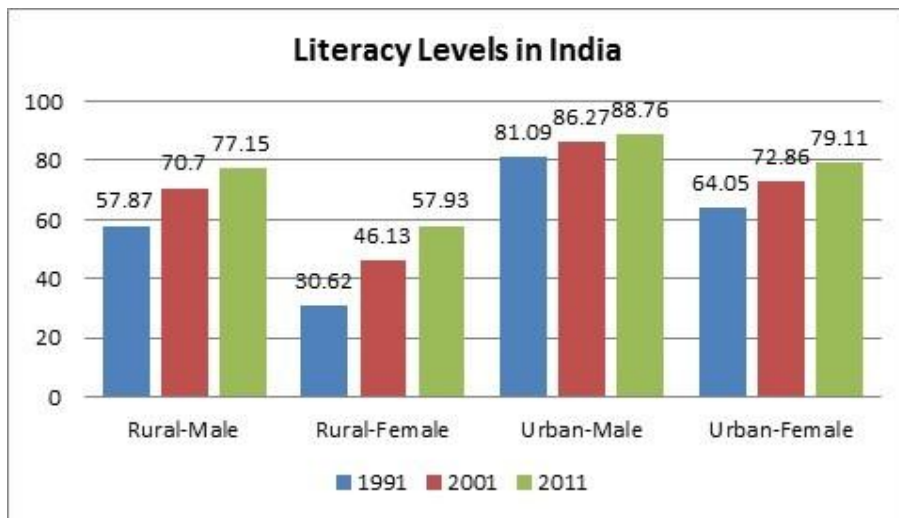
DATA AND STATISTICS

1. Key factors in Globalisation.



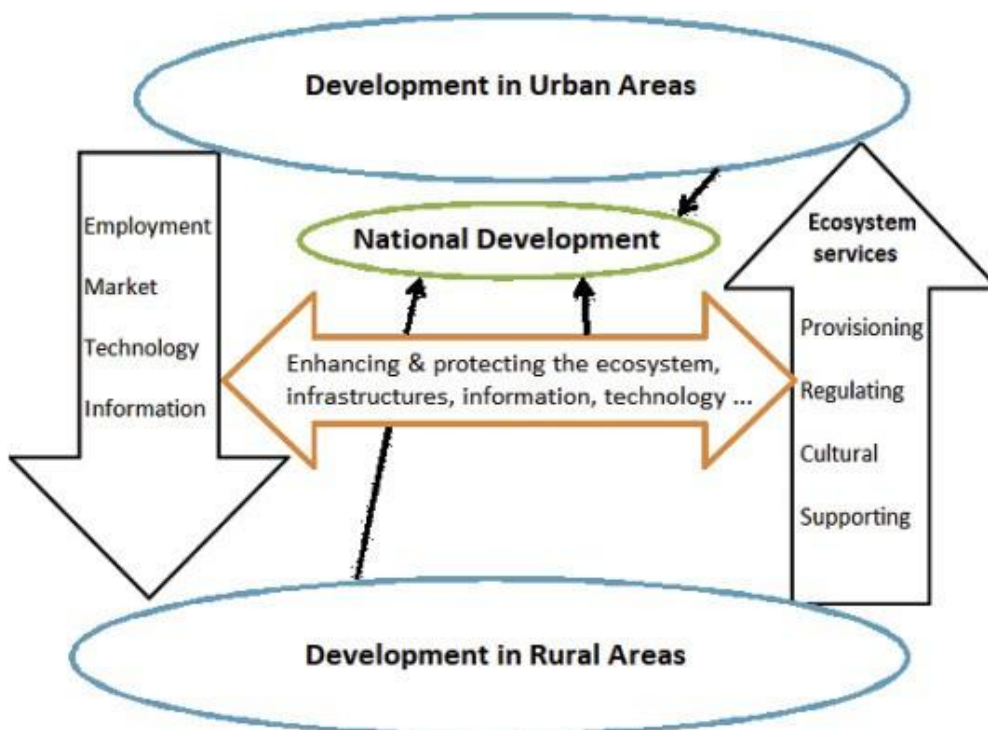
In the graph globalisation indicates the essentials of globalization, like technology, literacy level, capital and the impact of globalisation in India like increase in competition level in markets, increase in brands of rural and urban products, more role of MNC'S in the rural and the urban India.

2. Literacy levels in India to adopt digitalisation.



Literacy level is uneven in India and it can make digital divide in the country, like literacy level between rural and urban areas, as per the recent reports of Government of India, highest literate states are using more digital or online education, online commerce or e-commerce in the world. We can find from the above statistics urban male and female are more literates compared to rural male and female population in India. It is another constraint for the rural entrepreneurs to rethink the strategy.

3. Conceptual framework of development of the rural-urban linkage environment / ecosystem.



The diagram explains the difference between urban and rural development or transformation from rural to urban ecosystem, essential factors or supporting factors like technology, employment, information skills, ideological or cultural factors and the governance by the state or country to manage the resources for the development of all the sectors in the economy.

VII RESULTS AND DISCUSSION

The result explains the impact of globalisation to the Indian states, or the Indian rural entrepreneurs and the rural economy, problems faced by the rural entrepreneurs in rural parts India, MSME's, involvement of corporate sector, MNC's and flexible political, social economic policies have to be implemented by the fiscal and monetary policies in India.

VIII FINDINGS

1. Globalization has both pro's and con's for the Indian economy and Indian e-commerce growth, it can be benefited for the huge investor, who is able to make business by doing innovations and create employment, but the small and medium businessman or entrepreneurs may not be able to make big investment, so 'Ethical factor and profit factor' both has to be considered.
2. Globalisation can increase the standard of the products worldwide, but due to political and social issues the small investor or small shop owner may not able to run the business, and it can decrease the standard of living.

IX RECOMMENDATIONS

1. If India has to reach India's long term goal "self reliant Indian economy and digital India", the rural development and progress is very essential, otherwise it can lead to parallel political economy.
2. Indian states wealth, resources is not distributed equally, so globalisation is focussing more on profit motive, not political economic welfare, so welfare motive has to be considered in ethical and developmental standards.

X CONCLUSION

Globalisation has lead to India`s major problem in both rural and urban areas is to providing job for the needy, due to unemployment, we can find larger share of population suffering from poverty, ex: Bihar and UP (Uttar Pradesh has larger share of poverty, more over there is less entrepreneurs who like to invest in rural areas in this state, that is the main reason that globalisation can also harm the state in the longer term by increasing unemployment in the rural areas, most of the MNC`s in the world are using technology more than the labour by digital implementation in the companies, after 20th century we have seen that more public sector enterprises are sold to private sector entrepreneurs, for giving reason as to increase profit or economic growth, 2007-2008 global recession can be taken as good example, where corporate sector couldn`t give job security to Indian employees, like in IT and Manufacturing sectors. but it can also become difficult to local or domestic companies in India to sell their products. So India has to implement proper digital inclusion and take care of giving subsidies in investment in rural economy for the better growth of the political economy and the commerce in India.

XI LIMITATION

1. It can be advantage for creating employment for literates and it can cause for competition for rural entrepreneurs and they may fear to take more risks in the national markets, as market conditions may change due to the role of corporate global involvement in business.
2. Even these MNC`S are trying to business in some parts of rural areas, creating inflexibility for the rural entrepreneurs to balance political licence for the company, investment and profit and overall growth of the rural enterprises.

XII SCOPE

The scope of the study can try to find the economic growth of the rural India and rural corporate governance role. Due to rise in internet users in India and it can provide opportunity for the rural

entrepreneurs or investors to invest in rural areas. But it has to be implemented flexibly to rural Indian areas and increase the standard of living of the Indian population also. Indian government can take initiatives to provide GI “Geographical Indications” to the rural products in Indian products, ex: Mysore silk, Coorg Orange etc. Now these products can be sold at globally, if it has ‘GI tag’. So India can consider in export of these kinds of products.

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CMIE (Centre for monitoring Indian economy), Bombay

IEA (International Energy Agency)

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