

GLOBALIZATION TO GO - LOCALIZATION – AN AGENDA FOR REJUVENATION OF THE INDIAN ECONOMY

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Abstract

The era of growing 'globalization', which has tended to reduce the earth to a 'global village', too has its distinct gainers and losers, its own peculiar characteristics of inequitable progress and exploitation, and it has significant social and ecological costs. As a reaction such adverse impacts of the on-going globalization process, a counter-emphasis has been developing for 'localization' in diverse forms in different parts of the world. Here, 'localization', essentially means an economy of neighborhood and self-reliance, particularly in respect of more basic needs, as a means to ensure freedom and to protect the rights and interests of local/ weaker sections and communities against exploitation by the globalizing forces, particularly the 'free market' economy. In the Indian context, the whole idea of 'localization' has been embodied in the comprehensive and well-known Gandhian concept of 'Swadeshi', which had been developing in India as a reaction to 'global' exploitation since the colonial rule itself. Local action is an effective approach to solve social and environmental problems too. This paper depicts the need of localization of Indian economy to make it efficient, competitive, and economically tenacious to grasp strategic economic advantages in the world.

Key words: Developing, Economy, Globalization, Localization, Swadeshi

1. INTRODUCTION

Globalization has the tendency to make the earth as a "global village". It sees the whole world as one family. However, it too has gainers and losers because of its own unusual appearances of unbalanced progress, exploitation, defoliation of social costs as well as ecological subsystems. Retaliating to this ongoing process of globalization, the concept of localization is developing in different forms in different parts of the world. The theme of localization is based on self-reliance by developing economy of neighborhood especially considering the needs of local peoples. This means to ensure freedom by protecting the rights and interests of weaker sections vis-à-vis eradicate exploitation by means of globalizing forces, particularly the 'free market' economy. In Indian context, "Swadeshi" movement was the first notion to localize Indian economy in Gandhian philosophy against the exploitation of globalization. Local action is the remedy to solve social and economic problems. It represents the beliefs of so forth 'localization' would mean in its positive aspects. This includes delegation of economic controls and decisions, apposite levels of self-reliance, fulfillment of all basic needs, and preservation of natural resources. Localization provokes comradeship and co-operation. This reflects the economics of neighborhood, independence, and generation of employment. It is a belief of regionalized economy, revitalization of village economy and the public. Localization not only improves the quality of local production but also spread its boundaries. Thanks to the use of indigenous skills, resources, manpower and technology, and the lesser need for transport, packaging, storage and marketing which leads to cost reduction. For taking an example Gandhiji had selected 'khadi' on sound economic considerations as no other alternative could have provided productive work to the idle masses. Hence, he had started swadeshi movement which resembles the first step towards decentralized, employment-oriented, need-based economics. Gandhiji asserted: "An individual's service to his country and humanity consisted in serving his neighbors. He could not starve his neighbor and claim to serve his distant cousin in the North Pole. That was the basic principle of all religions and - of true and humane economics."

2. LOCALIZATION GIVES MORE GLOW THAN GLOBALIZATION

The world is being shaped by the pulls and pushes of two forces often in opposite directions i.e. globalization and localization. Many economists and entrepreneurs are celebrating the paybacks of globalization and often called by the media as "Davos crowd". Now they are anxious that the government is in stress to cope up with the effects of the global economic crisis which may lead to deglobalization. In the past few months global trade has been reduced as a result of which cross-border capital flows also reduced softly. The votaries of

globalization are commending leaders of governments to stay loyal to the grounds and to repel demands for protectionism.

It is for sure that globalization has many benefits. It stimulates growth of economies and businesses. However, localization is not only expected, but it has the ability to provide solutions to numerous giant problems that must be addressed globally such as inclusive economic growth, protection of ecosystem, food security, and women empowerment. Localization is the route to adapt local products from local markets by making it sound and 'feel' local. It goes away from the interpretation of your content. It is wise to deliberate facets like culture, religion, and local preferences to produce a product that can feel the local sensations and meet the local expectations. Localization means tailoring several components resembling currency, time format, colors, icons, and every part of the product that could make it feel foreign to your community.

The compulsion for business localization is well-known to all business leaders. "Think global, act local" is a common slogan in multinational corporations. A study of European multinationals in India—to understand why some companies made high profits while others, performing poorly, complained about the difficulties of doing business in India—showed that those with localized products and management grew both their revenues and profits. They delivered to local customers' requirements, took advantage of local capabilities, and enabled innovations to emerge in many places, whereas their competitors with more centralized and standardized approaches were slow to hit the mark.

Last year, the World Economic Forum (WEF) brought together experts from around the world in its global agenda council for food security. They decided that new methodologies are required. As per the modern economist, emphasis must be given on engagement of local community to provide ultimate solutions to the local problems. They said that we must think about the needs of small farmers by the interventions of agricultural production. Apart from this investment must be made for women producers who are processing and supplying several food products in different regions. These experts are not Gandhian village lovers. They are prominent agricultural scientists and economists of large Western corporations engaged in the production and distribution of food. Some of the inspiring examples of local solutions are from South Asia, Africa and South America where we can get related complications of income generation, education, empowerment, health and environmental care. The challenges are to be widened to quickly increase such attainments all over the world. The 21st century challenge for leaders of governments, political parties, NGOs and business organizations is to go for active "local-global" governance which hand out supremacy and makes further local leaders and creativities.

3. GLOBALIZATION – NEGATIVE VIBRATION OF ECONOMIC PROSPERITY

Now, across the national boundaries, capital, goods, information, culture, and pollution increasingly flow devoid of emerging countries like India being able to bring their national authority, judgments and values to bear on the incident market forces. While the basic needs like energy security, food security, and water security are becoming much more important, global economic processes are not effectively controlled by the national government. Basic needs are underestimated by the greed and consumerism, and self-exaggeration is capturing national control over the economy. Integrated global economy asks for more competencies from existing international institutions whereas the interests of the poor and weak are overlooked.

Modern economics treats a human being primarily as 'economic man' / *homo economicus* and not as *homo ethicus*. The struggle for endurance is full of race controlled by profit motive in the neoliberal capitalist market economy. This activates exploitation and violence of both 'man' and 'nature' as it admits economic Darwinism. Objectives of efficiency and productivity are not accompanied by those of equity. Nowadays, powers, swapping the former imperialistic exploitation, are inclined to control globalization. The goal of production and consumption do not consider distribution. Hedonism is the ideology of modern globalization and egoistic individualism as justification for limitless acquisition and consumption, with the state itself becoming an instrument in the service of *homo economicus*.

The conventional economic theory of international trade is based on 'comparative advantage'. It is engrossed with profit maximization instead of basic needs, mutual aid, employment and fair distribution of profits. It allowed trade among unequal and supports who have purchasing power for endless wants and luxuries. This exploits the weaker economies by the stronger like rural poor by the urban elite. Economic and political power is vested with the ruling elites, delivered by the economic institutions, divide the society into 'haves' and 'have-nots', and produce a multiple clash that retain all apprehensions and disappointments.

Power and resources are not mutually equitable that affecting the growth of GDP as well as human development and environmental sustainability. It imparts more benefits to the rich and powerful by providing access to education, health, opportunities, travel, etc. GDP indicators are best served when individual greed is tailed in the 'market' freed by governmental regulation for social good. Therefore, poverty, social conflict, harassment, slums, and exploitation co-exist with prosperity. In countries like India the consumption pattern has been changed due to globalization and thus intensifying inequalities and scarcity by declining the production of 'basic' goods on which the poor bank on.

The wave of globalization is undermining the role of trade unions too. In India today, about 93% of the workforce is in the 'unorganized' sector, with little provision for security of jobs, work conditions, or wages. Thousands of farmers commit suicides every year as they are unable to perform in the free market system. On the other hand, transactions worth trillions of dollars are done daily in the world stock markets, mostly speculative. The main question arises here is: 'Globalization' of what? And for whom?

4. GLOBALIZATION WITH LOCALIZATION FOR A SUSTAINABLE ECONOMIC-SOCIAL ORDER

With growing globalization whereby economic controls become ever more remote and less accountable and profit motive as greed seeks to colonize the whole earth, the concept of localization becomes ever more relevant. Ethics, social good of all, peace, prosperity, ecological concerns, co-operation and brotherhood cannot be globalized without the concomitant of swadeshi. For example, it was highlighted in the Human Development Report (1997) that globalization is "proceeding largely for the benefit of the dynamic and powerful countries." It also advised states like India to manage trade and capital flows more carefully, invest in poor people, foster small enterprises, manage new technology and provide safety nets. All these steps mean standing firmly up to globalizing forces under the concept of Swadeshi.

The swadeshi approach provides an ethical direction to the economic choices and makes conservation, sharing, and self-provisioning as the basis of a humane social order. The Gandhian dictum that "The good of the individual is contained in the good of all". We must have more of 'globalization' but it should be based on the concept of 'swadeshi', which embodies best the concept of 'localization'. In this, as in other such areas, as Gandhiji would say: "Let it be the privilege of India to turn a new leaf and set a lesson to the world."

Infrastructure and construction behemoth Larsen & Toubro said that it was fully committed to achieving self-reliance for the domestic industry and reduce the dependence on imported products to support the 'Atmanirbhar Bharat Abhiyan'. It further said, "L&T, India's leading multinational engineering, construction, technology, and financial services conglomerate is committed to achieving self-reliance for the domestic industry by creating a strong and feasible 'Make in India' ecosystem,".

SN Subrahmanyam, CEO & MD, L&T, said, "With an unfortunate incident involving our brave soldiers at our border, sentiments are running high in the country. As a company involved in nation-building for more than eight decades, we firmly stand with the policy of manufacturing best-in-class products locally through 'Make in India'." He added, "We can drastically reduce our dependency on imported products, including those from China, by putting processes and systems in place to develop a large scale, efficient and cost-effective domestic industrial ecosystem over a medium to long term."

The atmosphere is right for that and we should accelerate this. We are fully supportive of the government of India's initiatives and will do our best to contribute to Atmanirbhar Bharat Abhiyan". It will also help in nurturing the local manufacturing and construction ecosystem involved in producing efficient and cost-effective substitutes for the global markets.

Prime Minister Narendra Modi's emphasis on 'Atmanirbhar Bharat' or self-reliant India is Swadeshi economics in other words. In the Indian context, self-reliance should not mean divorcing international trade. India will have to seriously engage with the region and the world, but at the same time strengthen its own domestic industry by streamlining the governance system and go far beyond mere amendments and announcements. Localization does not and should not be interpreted as isolation. M.K. Gandhi's Swadeshi movement and self-reliance were two sides of the same coin that would find currency in a globalized world.

Gandhi's *Hind Swaraj* explains the "all Indian economic and political model" in detail. For Gandhi, *swadeshi* was the rejection of the colonial exploitation of India to add to British coffers, leading to the detriment of India's poor and the downtrodden. Capitalism based on unrestricted industrial growth to feed insatiable crass consumerism became the norm of the *laissez-faire* (free market) Western economic model, which Gandhi criticized in *Hind Swaraj*.

The Localization model, like Gandhi's *Hind Swaraj*, was not averse to technology but detested the unbridled import of all the attendant trappings of a West-oriented economic model. So, 'modernization yes, Westernization no' became the catchy slogan. The current economic crisis is of a much larger nature compared to 1991 or even the 2008-2009 economic meltdowns. The five pillars of 'Atmanirbhar Bharat', so eloquently enumerated by Prime Minister Modi as economy, infrastructure, technology, vibrant demography and demand, are able to hold up India's collapsing economic network.

Being vocal for local is, in the real sense of the term, the recognition and promotion of the intrinsic strength of Indian entrepreneurship waiting to be freed from the shackles of inextricable tangles of land, labor, liquidity and laws as PM Modi pointed out. Swadeshi should be reinterpreted as a bridge between robust localization and inevitable globalization, complementary to one another and not diametrically opposed.

5. NEED OF LOCALIZED ECONOMY

Localization is a solution-multiplier. It can restore democracy by reducing the influence of big businesses on politics and holding representatives accountable to people, not corporations. It can reverse the concentration

of wealth by fostering the creation of more small businesses and keeping money circulating locally. It can minimize pollution and waste by providing for real human needs rather than desires manufactured by the consumer culture, and by shortening distances between producers and consumers.

Localization also enables people to see more clearly the impacts of their actions: in smaller-scale economies, for example, one readily knows whether food production is dependent on toxic chemicals, whether farm workers have been mistreated, and whether the land remains healthy. In this way, business becomes more accountable. By prioritizing diversified production for local needs over specialized production for export, localization redistributes economic and political power from global monopolies to millions of small producers, farmers and businesses. It thereby decentralizes political power and roots it in community, giving people more agencies over the changes they wish to see in their own lives.

The exponential growth in localization initiatives – from food-based efforts like community gardens, farmers' markets, community-supported agriculture schemes and urban agriculture, to local business alliances, decentralized renewable energy schemes, tool lending libraries and community-based education projects – attests to the fact that more and more people are arriving, in a largely common-sense way, at localization as a systemic solution to the problems they face.

6. FINDINGS

The emphasis on efficiency in production and realizing higher profit, the final goal of economic systems with capitalist organization shifts from global level that is spreading on as wider as possible. Geographical region for market realization of standardized type of products to local level that is satisfying diversified needs of market segments with adjusted products to meet local needs of potential consumers. This specialization at local level can be provided by information, knowledge and technological innovations, the facilitators of global-local networking.

7. SUGGESTION

The author relies on economic localization is the best planned way out. The localized trail would take in a 180-degree turn-around in economic policy, so that business and finance turn out to be accountable and answerable to egalitarian practices. It indicates new regulation for global corporations and banks along with a modification in taxes and subsidies to retaliate with the big, there by supporting small scale on a large note. Rejuvenating stronger, broadening the business horizon, independent economies at the national, regional and local level is indispensable to renovating democracy. A real economy is always focused on sustainable economic development which inculcates prerequisites of human beings, slackens disparity and stimulates social congruence.

8. CONCLUSION

To make the localization fruitful a balance is needed between the global brand and the local versions to capture the respective target market. It would be easy when dealing is made with the countries having mutual cultural content but it is complicated when dealing is made with the nations with a different cultural context. It is important to find trustworthy partners and tools such as a translation management system which will help in localization campaign. This will make the process fast and intensify the return on marketing efforts. "First impression is the last impression" by keeping the line in mind, it is needed to localize the app, software, game, or any other product by working with experts who know the target markets well.

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