International Journal of Research
Available at https://edupediapublicat ions.org/ journals
e-ISSN: 2348-6848
p-ISSN: 2348-795X
Volume 05 Issue 12
April 2018

SOCIAL JUSTICE IN THE ERA OF GLOBALIZATION ISSUES, CHALLENGES AND PROSPECTUS

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Abstract

Globalization is not a new concept. In ancient times, traders travelled vast distances to buy rare commodities such as salt, spices and gold, which they would then sell in their home countries. The Industrial Revolution of the 19th century brought advances in communication and transportation that have removed borders and increased cross-border trade. In the last few decades, globalization has occurred at an unprecedented pace.Social justice is a political and philosophical concept which holds that all people should have equal access to wealth, health, wellbeing, justice and opportunity."Globalization" is currently a popular and controversial issue.

MEANING OF GLOBLISATION: Globalisation means linking the economy of a country with the economies of other countries by means of free international trade, free mobility of labour, investment, information technology (IT), and cultures. There are three main dimensions of globalization commonly found in academic literature**; economic globalisation, political globalization and cultural globalization.**

Economic globalization primarily comprises the globalization of production, finance, markets, technology, organizational regimes, institutions, corporations, and labour.

Political globalization refers to the growth of the worldwide political system, both in size and complexity includes national governments, their governmental and intergovernmental organizations.

Cultural globalization refers to the transmission of ideas, meanings, and values around the world in such a way as to extend and intensify social relations.

MEANING OF ECONOMIC POLICES: An economic policy is a course of action that is intended to influence or control the behaviour of the economy. Economic policies are typically implemented and administered by the government.The economic policy of governments covers the systems for setting levels of taxation, government budgets, the money supply and interest rates as well as the labour market, national ownership, and many other areas of government interventions into the economy.

OBJECTIVES OF ECONOMIC POLICIES

- To achieve faster economic growth.
- To reduce inequalities of economic and wealth.
- To achieve full employment.
- Price stability.
- Balance of payments equilibrium.

ECONOMIC POLICIES OF INDIA: Economic polices has plays an important role in the growth of the Indian economy. There are many policies which are followed in India. The

e-ISSN: 2348-6848
p-ISSN: 2348-795X
Volume 05 Issue 12
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policies are: **(1) Industrial Policy (2) Agricultural Policy (3) Foreign Trade Policy (4) GST (5) Demonetisation (6) Jan Dhan Account (7) PM Ujjwala Yojana**

POLICY NO. 1:

INDUSTRAIL POLICY: On July 1991, Government of India announced its new industrial policy. The main objective of this policy is to the liberalise the industrial economy from administrative and legal controls. Its main aim to raise industrial efficiency to the international level and accelerate industrial growth.

FEATURES OF INDUSTRIAL POLICY:

1. **CONTRACTION OF PUBLIC SECTOR:**Under this policy, number of industries reserved for public sector was reduced from **17 to 8.** These industries were: (a) Arms and Ammunition (b)Atomic Energy(c) Coal(d) Mineral Oil(e) Mining of copper, lead, zinc (f) Mining of Iron Ore, Manganese Ore, silver (g)Atomic Mineral (h) Railways. In 2004-05, this number, this number was reduced to **three** only, namely **atomic mineral, atomic energy and railways.** All other area is thrown open to the private sector. Form the year 2010-11, the number of industries was reduced to **two**, i.e. **Atomic energy and Railways.**
2. **DELICENSING:** In Industrial policy, it was necessary to obtain industrial license only in case of 18 industries. Rest of all other industries were exempted from industrial licensing. In 2006, the numbers of industries which are required to obtain compulsory license were reduced 5. The specific industries where compulsory licensing will continue include alcoholic products, tobacco products, aerospace and defence equipment, industrial explosives, hazardous chemicals. So area of industrial licensing has been reduced and its scope has been made very limited.
3. **ABOLOTION OF REGISTRATION:** All existing registration schemes related to industries have been abolished. Now the entrepreneur will have to give only a memorandum of information for new projects and substantial expansion of existing industrial units.
4. **FOREIGN CAPITAL:** Foreign capital investment has been raised from 40 per cent to 51 per cent. Foreign capital investment up to 74 per cent equity has been allowed for trading houses in export activities. In the year 1999, Foreign Exchange Regulation Act (FERA) was replaced with new Foreign Exchange Management Act (FEMA).
5. **FACILITIES OF IMPORT:** The policy provides for automatic approval for the import of capital goods whose value is less than 25 per cent of the total value of plant and machinery subject to a maximum limit of ₹2 crore.

MERITS OF INDUSTRIAL POLICY: This industrialpolicy is a very liberal policy. Its main aim is to liberalise industry from administrative and legal controls. The merits of industrial policy are following:

i. Increase in production
ii. Promotes liberalisation
iii. Increase in efficiency of public sector
iv. Increase in competition
v. Increase in exports
vi. Less economic burden on government
vii. Balanced regional development

e-ISSN: 2348-6848
p-ISSN: 2348-795X
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viii. Increase in foreign investment

DEMERITS OF INDUSTRAIL POLICY:

i. Reduction in the role of public sector
ii. Privatisation will not lead to efficiency
iii. Concentration of economic power
iv. Increase in regional balances
v. Adverse effect on economic sovereignty
vi. Adverse effect on small scale industries
vii. Ignores social objectives
viii. Increase in unemployment

POLICY NO. 2

AGRICULTURAL POLICY: Agricultural policy describes a set of laws relating to domestic agriculture and imports of foreign agricultural products. Agriculture is the priority area of twelfth five year plan. Its aim to achieve growth rate of 4 per cent per annum in agriculture. The measures which are proposed in agricultural policy are following:

i. Focus on agricultural research to raise agricultural production and productivity.
ii. Development of better seeds, plants varieties, fertilizers, pesticides and agricultural equipment.
iii. Rashtriya Krishi Vikas Yojana will be promoted to achieve broad based, more inclusive second green revolution in the country.
iv. Increase in **irrigation** facilities and efficient use of water resources.
v. Use of new technology and knowledge for boosting agricultural production
vi. Enhanced facilities for agricultural credit and revival of cooperative credit.
vii. Promoting agro-based industries and agro-exports.
viii. Promoting agricultural mechanisation.

MERITS OF AGRICULTURAL POLICY:

i. Incentive to Increase Production
ii. Increase in the Level of Income of Farmers
iii. Change in Cropping Pattern
iv. Benefits to customers
v. Benefits to industries
vi. Price stability

DEMERITS OF AGRICULTURAL POLICY:

i. Less growth of agricultural production
ii. Different growth rate of productivity
iii. Unstable growth rate
iv. Regional differences in agricultural developments
v. Lack of social justice

POLICY NO.3:

FOREIGN TRADE POLICY: Now in the era of globalisation, no economy in the world can remain cut off from rest of the world. Export and import play an important role in the economic development of all developed and developing countries. With the growth of

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p-ISSN: 2348-795X
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international organisations like WTO, IMF, UNCTAD, ASEAN, EU, SAARC etc.To regulate import and export in the desired direction it is very essential that government frames some rules and regulations for exports and imports.Foreign trade policy frames rules and regulations for exports and imports of a country. This policy is also known as Export – Import policy or commercial policy. It provides policy and strategy of the government to be followed for promoting exports and regulating imports. The new foreign trade policy 2015-20 was announced on 1st April 2015. Its duration is from 1st April, 2015 to 31st March, 2020. This policy is designed to promote exports of goods and services from India.

OBJECTIVES OF NEW FOREIGN TRADE POLICY:

1. To provide a stable and sustainable policy environment for foreign trade.
2. To link rules, procedures and incentives for exports and imports with other initiatives such as 'Make in India', 'Digital India' and 'Skills India'.
3. To promote the diversification of India's export basket.
4. To simplify the procedures, forms and documentations of foreign trade.
5. To strengthen export infrastructure like ports, airports, laboratories, common facility centres, warehouses near ports, cold storage facilities, refrigerated containers etc.
6. To facilitate technological up gradation of various sectors of Indian economy by easy import of capital goods.
7. To provide additional facilities to Special Economic Zones.

MAIN FEATURES OF NEW FOREIGN TRADE POLICY:

i. Schemes for export promotion of goods and services
ii. Star export houses (status holders)
iii. Towns of exports excellence
iv. Strengthening export infrastructure
v. Niryat Bandhu Scheme
vi. Export Promotion Capital Goods (EPCG) scheme
vii. Market Access Initiatives (MAI) and Market Development Assistance (MDA) Scheme
viii. More facilitate to Special Economic Zones (SEZs)
ix. Export Oriented Unit (EOUs), Electronics Hardware Technology Parks(EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks(BTPs)
x. Trade Facilitation and Ease of doing business
xi. Facilities for Handloom and Handicraft Sector
xii. Facilities for Gems and Jewellery Sector

CRITICISM OF FOREIGN TRADE POLICY:

i. Very complex procedure for export and import and excessive documentation and formalities.

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p-ISSN: 2348-795X
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ii. Poor brand image of Indian goods in foreign markets.
iii. Dependence of exports on a few foreign markets.
iv. Less share of service exports in comparison to merchandise exports.
v. Lack of awareness about opportunities among micro, small and medium enterprises.
vi. Bureaucratic hurdles in custom clearance of goods and samples.

POLICY N0. 4:

GOODS AND SERVICE TAX (GST):

ONE NATION ONE TAX RATE: Goods and Services Tax (GST) is an indirect tax levied in India on the sale of goods and services. Goods and services are divided into five tax slabs for collection of tax - 0%, 5%, 12%, 18% and 28%. Petroleum products and alcoholic drinks are taxed separately by the individual state governments. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 22% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

The tax came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India by the Modi government. The tax replaced existing multiple cascading taxes levied by the central and state governments. The tax rates, rules and regulations are governed by the Goods and Services Tax Council which comprises finance ministers of centre and all the states. GST simplified a slew of indirect taxes with a unified tax and is therefore expected to dramatically reshape the country's 2 trillion dollar economy.

GST is stated to be one of the biggest tax reforms in India, which would not only impact the businesses but also the common man.

IMPACT OF GST: The primary impact to be felt by the consumers would change in prices of goods and services on account of GST rates. GST is expected to bring greater transparency, improve compliance levels and create a common playing field for businesses by amalgamating a host of central and local taxes. It would change the current tax regime of production-based taxation to a consumption-based system. There is no doubt that the corporates would benefit once they settle in under GST and assess the impact on their respective businesses; however, the advantages to the common man may take longer to be apparent. GST is a destination based tax, levied on the consumption of goods and services.

POSITIVE IMPACTS OF GST IN INDIA:

1. GST will also help to build a transparent and corruption free tax administration.
2. Presently, a tax is levied on when a finished product moves out from a factory, which is paid by the manufacturer, and it is again levied at the retail outlet when sold.
3. GST is backed by the GSTN, which is a fully integrated tax platform to deal with all aspects of GST.
4. GST also has an optional scheme of lower taxes for small businesses with turnover between INR 20 to 50 lakhs. It is called the composition scheme. It has now been

e-ISSN: 2348-6848
p-ISSN: 2348-795X
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proposed to be increased to 75 lakhs. This will bring respite from tax burdens to many small businesses.

5. Removing cascading tax effect, simpler online procedure under GST, defined treatment for E-commerce and regulating the unorganized sector.

NEGATIVE IMPACTS OF GST IN INDIA:

1. Some Economist says that GST in India would impact negatively on the real estate market. It would add up to 8 percent to the cost of new homes and reduce demand by about 12 percent.
2. Some Experts says that CGST (Central GST), SGST (State GST) are nothing but new names for Central Excise/Service Tax, VAT and CST. Hence, there is no major reduction in the number of tax layers.
3. Some retail products currently have only four percent tax on them. After GST, garments and clothes could become more expensive.

POLICY NO.5:

DEMONETIZATION POLICY: On 8 November 2016, the Government of India announced the demonetisation of all ₹500 and ₹1000 banknotes of the Mahatma Gandhi Series. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism. The sudden nature of the announcement and the prolonged cash shortages in the weeks that followed created significant disruption throughout the economy, threatening economic output.

Prime Minister of India Narendra Modi announced the demonetisation in an unscheduled live televised address at 20:00 Indian Standard Time (IST) on 8 November. In the announcement, Modi declared that use of all ₹500 and ₹1000 banknotes of the Mahatma Gandhi Series would be invalid past midnight, and announced the issuance of new ₹500 and ₹2000 banknotes of the Mahatma Gandhi New Series in exchange for the old banknotes.

EFFECTS OF DEMONETIZATION POLICY: Since our economy is heavily dependent on cash, as only less than half the population uses banking system for monetary transactions, demonetisation has hit trade and consumption hard. With people scrambling for cash to pay for goods and services, the move is likely to take a big toll on the country's growth and output during the current fiscal. Consumption makes up for around 56% of India's GDP, hence, a drop in spending will pull down growth.

a. Lowering interest rates and inflation
b. Bad effect on the banking sectors
c. Adversely impact on GDP growth
d. Effects on different sectors

POLICY NO.6:

JAN DHAN ACCOUNT POLICY: Pradhan Mantri Jan-Dhan Yojana (P.M.J.D.Y) Prime Minister's People Money Scheme is India's National Mission for Financial Inclusion to ensure access to financial services, namely Banking Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. This financial inclusion

e-ISSN: 2348-6848
p-ISSN: 2348-795X
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campaign was launched by the Prime Minister of India Narendra Modi on 28 August 2014. He had announced this scheme on his first Independence Day speech on 15 August 2014.

The scheme has been started with a target to provide 'universal and clear access to banking facilities' starting with "Basic Banking Accounts" with overdraft facility of ₹5,000(US$77) after six months and RuPay Debit card with inbuilt accident insurance cover of ₹1 lakh (US$1,500) and RuPay Kisan Card. As many as 1,767 claims were settled toward accidental insurance to RuPay Card holders under the government's flagship financial inclusion programme Pradhan Mantri Jan Dhan Yojana (PMJDY) as said by PM on 15 August 2017. In next phase, micro insurance & pension etc. will also be added.

Under the scheme:

1. Account holders will be provided bank accounts with no minimum balance.
2. Repay debit cards will be issued.
3. Accidental insurance cover of ₹1 lakh (US$1,500).
4. After six months of opening of the bank account, holders will be eligible for ₹5,000 (US$77) overdraft from the bank.
5. With the introduction of new technology introduced by National Payments Corporation of India (NPCI), a person can transfer funds, check balance through a normal phone which was earlier limited only to smart phones.
6. Mobile banking for the poor would be available through National Unified USSD Platform (NUUP) for which all banks and mobile companies have come together

FAILURES OF THE POLICY: The scheme has been criticized by opposition as an effort to please voters that has created unnecessary work-burden on the public-sector banks. It has been claimed that the poor deserves food more than bank accounts and financial security. Further, these accounts have not yet added considerable profits to PSU banks. According to the experts, offers like zero balance, free insurance and overdraft facility would result in duplication. Many individuals who already have bank accounts may have had accounts created for themselves, lured by the insurance covers and overdraft facilities. As per the scheme, a very few people are eligible to get the life insurance worth ₹30,000 (US$460) with a validity of just five years. The claimed overdraft facility has been completely left upon the banks. As per the government notice, only those people would get the overdraft facility whose transaction record is satisfactory and financially.

POLICY NO.7:

PM UJJWALA YOJANA:

Last year on May 1, Prime Minister Narendra Modi launched an ambitious social welfare scheme - Pradhan Mantri Ujjwala Yojana - with the aim of providing 5 crore LPG connections to women below the poverty line across the country. The scheme was aimed at replacing the unclean cooking fuels mostly used in the rural India with the clean and more efficient LPG Gas.

Prime Minister Modi's pledge to provide cooking gas cylinders to every household has helped India to become the world's second-largest importer of liquefied petroleum gas or LPG. Earlier Bloomberg reported that India's import of LPG, mostly used as cooking fuel,

e-ISSN: 2348-6848
p-ISSN: 2348-795X
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and increased 23 per cent during the financial year that ended March 31 to 11 million tons. India replaced Japan from the second position whose imports slipped 3.2 per cent during the same period to 10.6 million tons.

Recently central government has launched its ambitious programme The Pradhan Mantri Ujjwala Yojana (PMUY) to provide subsidised liquefied petroleum gas (LPG) connections to 50 million poor families. It is a three year programme with cost of 8000 crore, which will be entirely borne by central government.

BENEFITS OF THE SCHEME:

1. Connections under new scheme will allocated in the name of women members of poor households, which will be genuine step towards women empowerment.
2. About 700 million people in India have been using traditional cooking fuels like firewood, charcoal and kerosene etc. and these emits more smokes which severally affects the health of women households. Using LPG will helps to improve the quality of life of poor households.
3. Traditional cooking fuels also cause the air pollution; use of LPG will help to reduce the air pollution. Hence LPG is also environment friendly.

CHALLENGES:

1. In the absence of proper and authenticated data on BPL population, identification of poor households for allotment of free LPG connection is biggest challenge.
2. Usage of Socio-Economic Caste Census data may be get misused by well-offs or it may remain poorly targeted.
3. As Aadhaar-based direct benefits transfer (DBT) system is facing legal battle in courts, hence transferring subsidies directly to oil companies may encourage leakages in the system by vested interest groups.
4. It will bear significant cost to the exchequer, which creates apprehensions on future direction of LPG pricing and reform of subsidies.

SUGGESTIONS:

1. To realise the true benefits of ambitious scheme government must build proper mechanism to identify the deserving beneficiaries.
2. Government should strengthen distribution channels and ensure supply of LPG and cylinders as per planned in the programme.
3. As it bears substantial cost on exchequer, to balance it, the government must withdraw subsidies on cooking gas for the economically well-off sections.

CONCLUSION: In conclusion I can say that the Government of India will be capable of developing in industry if it adopts a more liberalised industrial policy. It should develop our industry with the help of foreign technologies. In simple words, Goods and Service Tax is an indirect tax levied on the supply of goods and services. GST Law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country.The agricultural sector is of vital importance for the region. It is undergoing a process of transition to a market economy, with substantial changes in the social, legal, structural,

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productive and supply set-ups, as is the case with all other sectors of the economy. PMUY is an historic opportunity to provide LPG connections to truly deserving ones. It will helps in reducing the pollution and improving the quality of life of poor households. Hence Government must implement this programme with letter and spirit.

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