Concerns with India’s Globalization Policy

What is the issue?

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- India’s urban policy has an overwhelming tendency to believe that globalisation has the same influence on all cities.
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- In this case India only invests in infrastructure project which has its own drawbacks.
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What is the process of globalization?

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- Globalisation is more about specific circuits that are enabled by technology but are realised for economic, social, political and other purposes.
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- The impact of globalisation on a city then depends on which end of a particular global circuit it finds itself in.
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- The city that commands and controls a circuit faces very different conditions than the city that provides the resources to make the global connection economically desirable.
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- In information technology circuits too the command and control centres decide the products and services to be produced while the resource centres provide the resources to do so.
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- Cities that cater to command and control centres can celebrate their expensiveness, while those that provide the resources have to advertise their cost effectiveness.
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What are the impacts of globalization on India?

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- The impact of these circuits on Indian firms differ in one very important way from their influence on Indian cities.
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- Firms may begin at the resource end of the circuit but there is always the possibility that they can become the command and control centres of some niche product or service.
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- If this requires moving its activities closer to where other command and control centres are located, say, in the West, the Indian firms can do so.
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- This geographical mobility is obviously not available to cities, Cities have to cater to the interests of those who are located in them.
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What are the concerns with India’s urban policy?

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- India in its response to globalisation just build infrastructure similar to what exists in global cities.
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- In addition to the rush to build world class airports there is a focus on massive expressways not just between cities but also within them.
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- This belief in the infrastructure route to globalisation is so strong that governments, both at the Centre and the States, rarely stop to think about the cost.
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- This high-cost, high-end strategy completely ignores the changing perceptions of globalisation.
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- The insensitivity to cost by urban policy makers in India stands in stark contrast to the command and control centres continuously searching for cheaper options.
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- And as cheaper options emerge elsewhere, Indian cities could find their economic engines losing fuel.
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Source: Business Line

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