

MNCs in India :Effect of their presence on the life of people of North Nagpur

SUMMARY By Mugadha Deshpande

The aim of the research project was to find the effect of the multinationals on the life and consumption of the common man residing in North Nagpur. Accordingly a sample survey was conducted. The Industrial Policy of 1991 that led to the revolution of globalization in India has been analyzed especially with reference to creating conditions conducive to entry and existence of multinationals in India. Both primary and secondary sources of data collection have been used. The primary source consisted of a randomly selected sample of 150 people from North Nagpur and nearby areas. The people however mostly belonged to the middle and lower segments of society. It involved people from service class, labor class, students, housewives, businessmen etc. A questionnaire was designed to understand the following from their response. Personal interviews were also conducted with most of the respondents constituting the sample to understand what the consumer feels in terms of buying MNC products, how he spends his money under various influences is he concerned about or does he know about Swadeshi. Another sample was selected of about 17 businessmen who have been in a specific industry for the past at least 15 years or more. The collected information has been analyzed and presented in the form of tables and charts. Through the analyzed information an attempt has been made to understand all the facets of the effect of multinational corporations on the Indian middle class consumer, his spending , and product preferences and if the quality of products affect his lifestyle. It is concluded that 1)The lifestyle of the common man has undergone a change. With a greater number of working woman they have access to greater amount of disposable income. Hence they show an inclination towards better quality goods.2) The common consumer is willing to pay more if he is assured of a product that meets his requirement, and that is his criteria while making a purchase.3) The common consumer appreciates the concept of ‘swadeshi’ , but at the same time he is not willing t go out of his way to make a swadeshi purchase. He will rather prefer a product that is easily available to him. 4) Multinationals have not retarded the growth of indigenous industries. The stringent measures of the Government of India regulating the entry into certain industries have protected them. 5) On the other hand the presence of MNC industries has generated many subsidiary industries and improved the demand for both skilled and unskilled labour thus generating employment.6) Consumers are particularly attracted by free

gifts with purchases. The most popular free items are personal goods items, such as toothpaste and soap. Another unique aspect of consumption habits centers around the desire for ecologically-responsible packaging. consumers are more sensitive to the environmental impact of their consumption habits, the current trend in consumption is away from habitual visits to the smaller town markets and toward larger purchasing on a more infrequent basis in hypermarkets 7) Advertising does influence purchases and even induced the consumer to make un necessary purchases as is pointed out by the results of the survey.