

# Impact of globalisation on india



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The world is more interdependent now than ever before. Since 1980s, the popular notion of globalization has been increased with the termination of cold war and the split up of the former Soviet Union. The term globalization refers to the process of interaction and integration across society and economies. The phenomenon covers the changes in economic, social and political domain as well as the mode of communication, transportation, technology and flow of ideas across borders. The intensity of these flows has changed the trends of globalization.

The rapid transformations of information have given a new lease of life so not a single country can live in isolation; there is a need of interaction. As the multinational companies manufacture products in some countries but sell it across the world. Globalization is not only removing barriers among economies but also the culture and social life is being affected by it. The establishment of General Agreement on Tariffs and Trade (GATT), International Monetary Fund and the initiative of free trade has heightened up globalization.

Globalization has brought new prospects to developing world. It has given great power to developed markets to enter in the developing countries by transferring their machinery with the assurance of better output and higher living standard. However, it does have brought up difficulties as well such as, increase in inequality between socio-economic classes, environmental degradation and instability in financial market. In the nineties, the restriction on the trade and investment was removed and this removal of barrier accelerated the rapidity of globalization in India.

In the early 1990s, India unlocked its economy to the world because of the foreign exchange crisis that led to defaults on loans of the economy. There was a sudden policy change in India with the notion of new economic model known as Liberalization, Privatization and Globalization in India (LPG). In the early nineties, the key measures instigated as a part of the policy like, the abandoning of licensing of industries, the reduction in the areas of public sector, amendment in the monopolies and the controlled trade systems function, initiate privatisation programme, lessening tariff charges and the most important was to switch to the market determined exchange rates. This change in the policy had dramatic effects on the expansion of the Indian economy. This all changes were actually the announcement of the fusion of Indian economy into the global economy. Over the years with the policy change, more and more sectors begin foreign direct investment and portfolio investments and attracted foreign investors in telecom, airports, insurance, roads, ports, airports, transportation and much more.

Moreover, the supporters of globalization claim globalization as the engine of growth and technological advancements as India's big and highly skilled technological and IT work-force catch the attention of many multinational companies to India because India has very low salaries for technical educated staff comparative to other countries. Therefore, it gives them freedom to manufacture goods and services at cheaper rate. Furthermore, with the help of easy ways of communication, globalization makes it possible to serve clients and businesses from India. Therefore, this will led businesses to build their offices in India as part of their global production and thereby create career opportunities for people in India that is preventing emigration.

In addition to that, India has a very good reputation globally regarding technology that makes them attractive as a technology centre for businesses from other countries. This creates more jobs in India.

On the contrary, globalization can change the above positive impacts into negative one as technical advantage which India has maybe copied by some other countries and can replace India's position in the international market. As it can be very easy to copy and carried from many places. Additionally, this innovative technology may call for loads of money and investment, which India may not manage to pay for.

Globalisation has strengthened interdependence and challenges between economies in the world market. As in 1990s when India opened its gate for international trade by lowering its tariff rate, many Indian corporations have started befitting as reputable participants in the international market. In the fiscal year of 2004-2005, India's imports rested at US\$ 107 billion with the increase of 35.62% as compared to the previous fiscal year which was about US\$79 billion whereas, export also increased by 24% from US\$ 63 billion to US\$ 79 billion in the same year. Thus, policy reforms of 1991 were positive for Indian economy and helping the economy to spread at faster rate. As compare to china's 33 firms, India's 100 wealthy companies out of 500 are present.

Environmental Globalism is the long distance carrying of supplies such as genetic materials or pathogens in the atmosphere or in oceans that harm human health and well-being. Moreover, the share of dirty industries in total FDI is 51 % from the year of 1991 to 2000 as the largest inflow is in these

dirty industries in India. Organizations observing climate change and looking at the safety of animals and sea life are undeniably one of the positive effects of globalization on the environment. This will further help in the maintenance and protection of the environment in India to reduce or stop additional devastation of the environment. Advances in technology can help to benefit the environment, as new equipment would be created in order to maintain the balance of our eco-system and preserve our environment.

In the Indian context where there is a rapid change in the transaction, the effects of globalization on environment and sustainability of the development needs to be seriously address. apart from of the prospective of globalization, the economic connections within country determined for raise in disparity results in amplified environmental bearings such as pollution, climate change, protection of ozone layer, bio diversity and desertification.

Environmental pollution is one of the most serious issues faced by the Indian Urban areas. With the growing number of vehicles on roads and industrialization, contribute to environmental pollution in India.

Variations in environment may be motivated by many other features of a country including economic growth, population growth, urbanization, strengthening of agriculture, rising energy use and transportation.

Agriculture also plays an important role in the economy of India. As it is use as one of the main source of income. Crops can be failing due to environmental degradation, which damage the fertile land and pure water, which in turn lead to economic failure. Since, agriculture is one of the important aspect of economical growth so if left unprotected would not only stop environmental growth but also destruct the eco system.

As the agriculture sector is main source of income for the rural areas of India but less salary to these farmers, many of them are shifting to cities. In the Budget Speech, Finance Minister Chidambaram asserts that Mumbai is a world class financial centre which is having 13 million populations in which 54% of them are in slums and it is estimated that 100 to 300 new families come to Mumbai everyday and most land up in a slum areas. Mumbai is known as the slum capital of India and Asia. In short, it is the largest slum capital of the world. (Tanveer Malik).

Indians are becoming exposed to new technologies and new ways of living. Due to globalization, communication is much easier as the amount of cell phone users has increased in India. According to UTV Techtree, until the year of 2014, 97% of Indians will have their own cell phones. This shows that even the villagers would have this advancement as well. It would be much easy for them to interact with their relatives in the cities. Internet users are also growing with the same pace as social networking websites such as, Face book, yahoo messenger etc has made almost finish communication gap.

At the same time, where culture provides a healthy and peaceful environment for people to live in, as they share their cultural thoughts, ideas, with the globalization, cultural values has declined from the past. A completely new culture of consumerism and materialism, this is focusing on accumulation of wealth. People are more spending their time on computers on social networking websites or messaging on cell phone or playing video games or watch TV instead of utilizing their time in productive outdoor activities and interacting with real people. The food culture has also change from the past. With the invasion of western restaurants like pizza hut, Mc

Donald and more, people are more inclined towards such junk food instead of Indian food, which is full of nutrition. Indian Literature is almost diminish as more and more people are interested in learning in English language and even schools prefer English language over their culture language so regional language books are less successful than any other English book. The concept of classical music has almost disappeared from India. There are not any students interested in learning classical instruments like table and sitar. Other than that, with globalization, teenagers are adopting western culture of drinking and some magazine and TV channel display such information, which is inappropriate for young readers.

With the initiation of policy, the government has created many incentives for local investors. In the beginning of first five years, there was no tax for the power projects, businesses involved in export, infrastructure development and new industries. This led to further development of infrastructure, new businesses, rising living standard and additional employment opportunities of 29. 74 million jobs were filled in 1994 to 1997.

In general, the impact of globalization on employment is conflicting. As India is having the second largest world population, so to know the exact rate of unemployment is difficult. The large numbers of labour are pushed towards unorganized or unnamed group of workers so the surplus of supply give rise to disequilibrium situation or disproportions in the labor market. The large production firm may abuse the natural resources and use them inefficiently. And the domestic producer are being overpowered by MNCs who are already having competitive advantages over domestic industrialist in India, have more funds to invest. This will lead to further closure of local businesses.

At the time of global recession in the year of 2007, India obtained greatly from the LPG model as its GDP increased to 9.7% in 2007-2008. India is enjoying fourth position in market capitalization in the world. However, yet the condition of agriculture has not enhanced after the globalization and are given less importance than other sectors contributing to economy. The share of agriculture in the GDP is only 17%. But considering the optimistic outcomes of globalization, India is capable of trouncing these obstacles and can advance more strongly on its way of development. The implications of globalization for an Indian economy are many. Globalisation has intensified the economic war between economies rather than the nuclear war. It is consequently apparent that a globalising economy, despite the fact that framing and estimating its policy cannot overlook the feasible activities, responses of policies and progress on the globe. and that's results in restraining the alternatives of policy that are accessible to the government and that demand for loss of policy independence to some level, in decision-making at the national level.

To conclude, it can be claimed that the advantages of economic reforms on the Indian economy would be attained, only if the negative impacts that mentioned above such as, unemployment, over growing population, closing down of local businesses and more would be diminished. Along with that, globalization and reformation the economic policies, efforts should be taken to understand the potential labour force and provide required security for work, income and life so that they would also benefit in that process on the one hand, and on the other, contribute towards the success of globalization.