

6. Advantages and Disadvantages of Globalization in India

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1. Introduction

Globalization has opened up new and tremendous opportunities for worldwide developers. Under the influence of the process of globalization, India in 1991 introduced economic policy changes and integrated its economy to the international economy. Globalization in India arrived just before the end of the cold war. India introduced changes in industrial and trade policies to improve its efficiency, productivity and competitiveness of its economy. Besides, it also brought changes in industrial licensing, foreign collaborations, investment by NRIs, portfolio investment by foreign institutional investment, reduction in tariff rate and simplification of export-import procedures, opening of the IT-sector, reducing public expenditure investment norms to attract inflow of capital from both the domestic and foreign enterprises in sectors like banking, insurance, retailing etc.

Globalization as a concept refers to the ways in which developments in any part of the world can rapidly come to have spill-over consequences for the security and well-being of populations in other part of the globe. It involves economic integration; the transfer of policies across borders; the transmission of knowledge; cultural stability; the reproduction, relations, and discourses of power; it is a global process, a concept, a revolution, and an establishment of the global market free from sociopolitical control.

Keywords: advantages of globalization, disadvantages of globalization

2. Definitions

According to Dr. Ismail Shariff, globalization is the worldwide process of homogenizing prices, products, wages, rates of interest and profits the term “globalization” is used to refer to these collective changes as a process, or else as the cause of turbulent change.

Globalization is the name for the process of increasing the connectivity and interdependence of the world's markets and businesses.

Globalization is the process by which the world is becoming increasingly Inter connected as a result of massively increased trade and cultural exchange. Globalization has increased the production of goods and services. The biggest companies are no longer national firm but multinational corporations with subsidiaries in many countries.

3. Globalization in India

By the term globalization we mean opening up of the economy for world market by attaining international competitiveness. Thus the globalization of the economy simply indicates interaction of the country relating to production, trading and financial transactions with the developed industrialized countries of the world.

The globalization changed Indian society drastically. Globalization and the Indian economy became interrelated and next economic policies displayed a direct influence of this change. Government shaped administrative policies according to it as well. The aim was to promote business opportunities in this country, generate employment and attract global investments.

Research Methodology

The present study will be based on secondary data. Data and information will be obtained from published papers, books, periodical, journals and internet websites.

The Basic Objectives of the Present Study are

1. To study the concept of Globalization.
2. To Study the Advantages and Disadvantages of globalization on Indian economy.

Advantages of Globalization in India

India has witnessed rapid and significant economic growth after globalization began in 1991. Some of the most important areas where the Country has gained are:

1. Increased Employment

One of the advantages of globalization has been the reduction of unemployment in the country. Prior to 1991, the private sector was virtually non-existent. Once the economy opened up, the number of jobs increases in every sector.

2. Better Salaries and Compensation

With competition, compensation has also increased over the last 3 decades. Highly skilled people draw enviable salaries, while the minimum wages in the country have also seen improvements. These would not have been possible without globalization.

3. Transfer of Technology

Transfer of technology throughout the globe is good for us. Any country can borrow the technology through the agreement and can implement it in their country for their overall development. We can communicate each other easily from any part of the globe by using advance technology at minimal cost, time and efforts.

4. Better Services

Globalization always provides us better services. Through the technological advancement our services like water supply, mobile networking, internet, electricity supply and any other services have been easier and better than before. By the way, easy access to the internet throughout the globe is also the result of the globalization.

5. Standardization of Living

The integration of economies as the key process of globalization enables countries to fight against poverty and improve the standard of living of the people. Many researchers have been stated that when a country open up their trade to the globe, their rate of economic growth is faster and living standards tend to increase.

6. Development of Infrastructure

Due to the technological advancement and its transfer throughout the globe helps to improve country's infrastructure. Countries are more enabling to deliver their services to the people. Development of infrastructure means overall development of respective countries. Here it is necessary to say that economic growth and development of infrastructure are compatible with each other.

7. Economic Growth

Globalization entails to optimum utilization of resources wherein deficit resources are procured and surplus resources are exported to other countries. This ensure overall economic growth.

8. Extensions of Market

Globalization promotes extension of market. It provides an opportunity to the domestic companies in going global. For instance, domestically, companies can witness saturation in the demand for their products or services but through globalization the domestic companies can sustain and satisfy the growing demands of foreign customers.

Disadvantages of Globalization

1. Increasing of the Unemployment Rate

Globalization demands for higher-skilled work with cheaper price. But countries where Institutions are relatively weak are not capable of producing highly skilled workers. As a result, the unemployment rate is increasing in those countries.

2. Unequal Economic Growth

While globalization tends to increase economic growth for many countries, the growth isn't equal richer countries often benefit more than developing countries.

4. Increases Potential Global Recessions

When many nations' economic systems become interdependent, the likelihood of a global recession increases dramatically—because if one country's economy starts to struggle, this can set off a chain reaction that can affect many other countries simultaneously, causing a worldwide financial crisis.

5. Exploits Cheaper Labor Markets

Globalization allows businesses to increase jobs and economic opportunities in developing countries, where the cost of labor is often cheaper. However, overall economic growth in these countries may be slow or stagnant.

6. Causes job Displacement

Globalization doesn't result in an increased number of jobs; rather, it redistributes jobs by moving production from high-cost countries to lower-cost ones. This means that high-cost countries often lose jobs due to globalization, as production goes overseas.

Conclusion

Eventually we can say globalization has brought some positive and some negative effects. Trade and commerce is areas where globalization has brought many changes, and there has been a considerable degree of liberalization. But even there, benefits of globalization have

been distributed inequitably. Today, and for many years behind, it is still present a process of continuing discrimination against products of particular importance to low income countries.

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