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## A Study on Impact of Globalization on Indian Economy: A Critical Analysis

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### Abstract:

Globalization has increased the creation of new jobs in India. Many international companies are now operating in India, creating many new employment opportunities. India's IT sector has been booming in recent years due to globalization. Globalization has increased the creation of new jobs in India. Many international companies are now operating in India, creating many new employment opportunities. India's IT sector has been booming in recent years due to globalization. The concept of globalization is very complex, multifaceted and contested. Globalization is a concept or process in which goods, services, knowledge, ideas etc. are spread globally. Globalization refers to increased trade between countries, easy access to international markets for goods and services, and maximization of profits. Many people have a misconception that globalization is an economic concept. Globalization deals with interrelated aspects like social, cultural, science, technology, environment, geography, history, politics, economy etc. Therefore, different disciplines comment on different aspects of this concept. As the scope of this concept is wide, it is difficult to study it from only one mold.

**Key words:** Globalization, trade, IT sector, economy opportunities, goods and services etc.

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### Introduction:

While globalization dates back to the rise of human civilization, some scholars refer to the process of change brought about by the flow of information and technology after the 1990s. If exchange is considered as the basis, the silk trade in ancient times, the spice trade in the Middle Ages, the competition for trade between Spain, Portugal, Dutch, English, French and other nations due to the discoveries of the fifteenth to eighteenth centuries are the ancient and medieval stages of globalization. The colonization of the southern world after the industrial revolution in the nineteenth century, the two world wars in the twentieth century and the subsequent reconstruction, the fall of Soviet Russia after 1990 and the world proclaiming the values of democracy and capitalism, the exchange in the present multipolar world, etc. can be considered as various stages of globalization. All these events have not only affected the economic aspects but also affected the nature and human life in various ways. After 1990, communist Soviet Russia collapsed and a polar, capitalist world led by America emerged. After the establishment of the World Trade Organization, plans for free trade were drawn up. The boundaries of the nations have weakened and international organizations have started to play a powerful role. Advances in information and technology and the Internet have made not only trade, but also exchange of ideas and people happen at a tremendous speed.

### Problems of the Study:

The process of globalization seems to have created a world of contradictions. This is why the demand for comprehensive globalization, democratization of globalization is getting stronger. Globalization has made the world so connected that events happening in one part of the world affect the rest of the world. Interdependence between countries has increased. The global spread of an epidemic like Corona is a great example of globalization. Governments of developed nations like Britain, America and other populist nations turned away from the process of globalization and started to embrace protectionism again. At present, due to the corona epidemic, it is seen that globalization has been affected to some extent.

### Objectives of the Study:

The main objective of this research is to study globalization in Indian economy and some specific objectives have been given by the researchers as follows.

1. To study the impact of globalization on Indian economy.
2. To study the Indian economy and its influencing factors.
3. To study the Indian economy and its impact on industrial sector.

### Significance of the Study:

Globalization has given rise to many risks and these modern risks are man-made. He calls today's modern society a 'risk society' caused by

man-made things like atomic bombs, infectious diseases. A great risk with advanced technology exists in today's society and globalization has made it more prominent. The sovereignty of the state is weakening in some respects and becoming stronger in others. Some groups in the economy are getting richer, while others are getting poorer. In some places multiculturalism is taking root, while in others it is flattening. While some groups live in 'internet virtual worlds', the majority remain excluded.

#### **Scope of the Study:**

Globalization is the free movement of people, goods and services across borders. This movement is managed in an integrated and integrated manner. Further, it can be seen as a plan to open up the global economy as well as the associated growth in trade. In general, globalization reduces production costs. This means companies can offer goods at lower prices to consumers. The average cost of goods is an important factor that contributes to the increase in the standard of living. Customers also have access to a variety of products. Globalization allows countries to access natural resources and labor at low cost. As a result, they can make goods at low cost that can be marketed internationally.

#### **Limitation of the Study:**

Globalization refers to the freeing of global economics, industry, markets, culture, and policies worldwide from socio-political control and the reduction of distance between regions through global networks of trade, communication, immigration, and transportation. Globalization is the spread of the flow of economic products, goods, technology, information and jobs across national borders and cultures. In economic terms, it describes the interdependence of nations around the world through free trade. Liberalization of trade and investment policies has helped the process of globalization by facilitating foreign trade and investment. Earlier, many developing countries imposed barriers and restrictions on imports and investments from abroad to protect domestic production.

#### **Period of the Study:**

While doing this research, the researchers have studied India's economy and globalization in 2022-23.

#### **Research Methodology:**

While doing this research, the researcher has used many secondary resources, including research papers, articles, journals, newspapers, audio, video, reference books, serial books, annual reports, etc.

#### **Research Method:**

In this research, the researcher has conducted member research using descriptive

analysis method along with several secondary researches.

#### **Results and Discussion:**

Today globalization has become ubiquitous. All regions or human groups on earth are directly or indirectly affected by globalization. This process has many effects on human life. Globalization is a concept or process in which goods, services, knowledge, ideas etc. are spread globally. Globalization refers to increased trade between countries, easy access to international markets for goods and services, and the maximization of profits. Global competition fosters creativity and innovation while controlling commodity prices. Access to new markets and diverse options to choose from. Developing nations have a better chance of achieving economic success and raising their living standards through FDI.

#### **Political Consequences:**

Erosion of state capacity means that governments around the world are unable to do what they are supposed to do. The old 'welfare state' is being replaced by the 'neoliberal state'. In which maintenance of law and order and security of citizens are considered as important functions. Withdrawal from economic and social programs implemented in welfare schemes. This increases the importance of the market system. Due to the entry and participation of multinational companies around the world, governments are losing their self-determination capacity. State governments do not lose power every time. The state governments are carrying out the work of law and security, national security etc. with strength. Jealousy and enmity between countries did not end in the era of borderless ideas. So the state is still an important institution. States have become more powerful with various tools and new technologies at their disposal to collect information on citizens.

#### **Economic Implications:**

Although free financial flows between different countries around the world are important, they are sometimes voluntary and sometimes imposed under pressure from international organizations or dominant countries. Relaxation of import-export restrictions opens investment opportunities for all; but it benefits big companies in rich countries. Only they get the freedom to invest in poor countries. This led to the emergence of multinational companies manufacturing in more than one country. Due to this, inequality between countries and within countries started to increase. Although computers, internet, communication technology have increased the flow of information, the concentration of information has shifted towards the luxury class. It gave birth to digital inequality. Although migration is a major symptom of globalization, developed countries have changed their visa policies to prevent their citizens from

losing their jobs. Electronic economies and knowledge-based economies have emerged around the world.

#### **Cultural Implications:**

Globalization poses a threat to societies and cultures around the world. Today, the world is moving towards cultural leveling as the same or similar culture is being created everywhere. Western culture is being imposed on the world in the name of global culture. Consumerist cultures such as art, food, fashion, music, entertainment, tourism grew rapidly. As big cities around the world were built on these consumerist factors, cities everywhere started to look the same. With the emergence of a class culture, it gave rise to values that increased production and competition. It was said that globalization would weaken religious institutions; but the fanatical organization got stronger and started spreading extreme fundamentalism.

#### **Disadvantages of Globalization:**

Many proponents see globalization as a means to address underlying economic problems. On the other hand, critics consider it a growing global inequality.

1. While outsourcing provides jobs to the population of one country, it removes jobs from another country, leaving many people unemployed.
2. There is a high possibility of global spread of disease, as well as invasion of destructive species into non-native environments.
3. Loss of cultural identity is a major concern when people from different cultures interact.
4. Recession eases global conditions.
5. There is minimal international regulation, which is problematic because it can have serious implications for human and environmental security.

#### **International Trade:**

International trade allows countries to expand their markets and access goods and services that would otherwise not be available domestically. As a result of international trade, the market is more competitive. This ultimately results in more competitive pricing and consumers get a cheaper product at home. Liberalization of the trade and investment regime was initiated to increase the international competitiveness of industrial production and foreign investment and technology in the economy. Global economic shocks, such as a financial crisis or recession, can affect a country's trade balance by affecting export demand, commodity prices, and overall trade flows, potentially leading to trade imbalances.

#### **Conclusion:**

Globalization is a controversial concept. There are three groups of thinkers in relation to globalization namely the supporter, the reformist and the therapist. Contemporary globalization, according to the theorists, is nothing but a modified state of global capitalism, in which the few rich

become richer and the poor majority is pushed further into poverty. Limiting the self-determination capabilities of states makes it difficult to promote the rights and interests of disadvantaged groups. Many anti-globalization movements are not opposed to the concept of globalization but to globalization through a specific process. e. g. in 1999, large scale protests were held during the Ministerial Conference of the World Trade Organization. Economically dominant countries use unfair trade practices. There was a tone among the protesters that the economic interests of underdeveloped and developing countries were not prioritized in the global financial system. Some scholars refer to globalization as 'neo-colonialism' or 'new slavery' because the worldwide agricultural crisis, environmental crisis, problems of increasing inequality, problems of unorganized workers, displacement and impoverishment of disadvantaged groups, subjugation of the third world, extremism, global terrorism etc. are directly rooted in globalization.

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