Globalization and Indian Economy

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Abstract
The term globalisation comes from the word globalise, which refers to the formation of a worldwide network of an economic system. Globalization was implemented by the Government of India in 1990-91, when the Indian economy was in a bad state.It was, however, implemented not as a remedy to the weakening Indian economy, but to allow India to get further foreign exchange loans from the World Bank, since India's foreign exchange reserves had been reduced to a paltry three weeks outflow. To improve its poor financial health, the Government of India chose to privatise and liberalise its economy. These choices had an instant favourable impact. Globalization, on the other hand, has proven to be a two-edged sword. It momentarily assisted India in meeting its increasing demand for foreign cash, but it has resulted in.
KEYWORDS: - Current Account Deficits, Disinvestment, Liberalization, Privatization, Western Culture.

Introduction,
Globalisation, in basic terms, refers to entirely open economic activities across national borders, with no restrictions imposed by governments. Globalization is a popular topic for debate and study these days. Globalisation is commonly defined as the gradual elimination of trade and investment barriers between states. 2001 (Mehta and Purohit). Since the 1990s, globalisation has been a dominant force in the globe. In 1992, Roland Robertson, a sociology professor, defined the word as "compression of the world and amplification of global consciousness." "Globalization may thus be described as the deepening of worldwide social interactions that link distant locations in such a manner that local occurrence is changed by events that occur," writes Gid dens
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Methodology
Pub med and Google scholar were used to do an electronic search. Articles from last 10 years were included in this review. Utilised search phrase Economy, globalisation, and India, as well as transportation.
Literature review
Singh (2012) covers the Indian economy's reform history from the pre-British era to the current stage of Liberalization, Privatization, and Globalization in his study "Globalization and Its Impact on Indian Economy." In his paper, he concluded that India requires a "second generation" of economic reforms with a more human face, and that the reforms must be founded on a long-term vision of converting India into a worldwide economic power within the next twenty to twenty-five years.
Sharma's (2009) "China and India in the Age of Globalization" investigated how socio-historical, political, and economic factors interact.

EFFECTS OF GLOBALIZATION ON INDIAN ECONOMY
Major contributors to this predicament include a stagnating economy, growing budget deficits, current account deficits in foreign commerce, and a high rate of inflation in recent years. In such a circumstance, extreme measures were required, including fundamental structural reforms in Indian economic policies. At this moment, the Indian government had no choice but to accept the prerequisite of entering the Globalization stream in order to get loan/grant facilities from the World Bank. It agreed to ease the quantitative constraints imposed by the licencing system. It also agreed to gradually cut customs tariffs to WTO-acceptable levels. Customs taxes were gradually decreased from a weighted average of nearly 70% to about 30% between 1991 and 2001.
The Multinational corporate corporation had a role in regulating the flow of capital through foreign investments. The international financial status of a country, as represented in its balance of payments and level of monetary reserves, is determined not only by its current account balance but also by its capital account balance. In this study, we look at the worldwide movement of financial resources via private foreign direct and portfolio investment, which includes foreign "direct" investment by major multinational businesses headquartered in industrialised countries. MNCs are most simply described as businesses or enterprises that perform and manage productive activity in more than one country. They are key drivers of global economic activity, but their connection with various types of regulation is unclear. Small industry has suffered in terms of unit, employment, production, and export growth. However, regulatory changes have created new possibilities and markets for the sector. To take advantage of them, the focus must shift to technological development and financial infrastructure building in order to make Indian small industry internationally competitive and contribute to national income and jobs. Since independence, small industry has been a significant pillar of India's economic growth strategy. Because of its major contribution to output, exports, and employment, small industry now has a crucial place in the Indian economic system.

Labour and globalization:
Labour and globalisation provide a difficult dynamic in India. Of course, the key issue is the state's relationship with labour. It is crucial to recall, however, that in the pre-reform era, organised labour formed a negligible proportion of India's huge labouring masses. A profusion of laws and institutions connected the state to this small organised sector, guaranteeing organised labour's

rights to job security, regular pay modifications, retirement, and other benefits. In these words, the enormous unorganised sector was unprotected. The pre-reform era lacked the cluster of social programmes - education, health care, housing, public distribution system, and so on - through which a state could assist working classes who did not have assured access to continuous employment and minimum earnings.

PROS OF GLOBALIZATION: -

1.The fiscal deficit was promptly reduced to 5.9% in 1991-92.
2. The real GDP rose at a 6% yearly pace.
3. As a result of the government's proclaimed liberalised economic policies, several new enterprises were founded by Indian entrepreneurs across various industrial areas.
4. The quantity of work chances in India has expanded significantly.
5. Rapid rise in the middle-income group, which boosted domestic consumption

CONCLUSION: -

Globalization is not only ineffective, but also hazardous to the Indian economy. It provided temporary respite to the Indian government amid its difficult foreign exchange position in 1990-91 by allowing it to get a loan from the World Bank. India is gaining worldwide prominence and is on its way to become a significant economic and political force. However, India must embark on a "second generation" of economic reforms, with the goal of transforming India into a global economic power in the next twenty to twenty-five years.

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