

“The Influence of Globalisation in India”

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Abstract - Research in Globalisation has become a dynamic field of study over the past few years and is likely to become even more so as the importance of international business is rapidly gaining momentum. Therefore, understanding Globalisation will be viewed as increasingly important.

India has been regarded as the youngest country in the world by the UN as it has the world's largest youth population where more than 365 billion people are between the age group 10 and 24 years.

This article aims at examining the influence of Globalisation in India.

Key Words: Globalisation, India and Economy

1. INTRODUCTION

Globalisation is the free movement of people, goods, and services across boundaries. This movement is managed in a unified and integrated manner. Further, it can be seen as a scheme to open the global economy as well as the associated growth in trade (global). Hence, the countries that were previously shut to foreign investment and trade have now burned down their barriers.

Considering a precise definition, countries that abide by the rules and regulations set by WTO (World Trade Organization) are part of Globalisation. These procedures include overseas trade conditions among countries. Apart from this, there are other organizations such as the UN and different arbitration bodies available for supervision.

1.1 Indian Economy Reacts to Globalisation

When we talk about **Globalisation and the Indian economy**, one name strikes our mind, that is, Dr. Manmohan Singh. He was the finance minister in the 1990s when Globalisation was fully implemented and experienced in India. He was the front man who framed the economic liberalization proposal. Since then, the nation has gradually moved ahead to become one of the supreme economic leaders in the world.

Below mentioned are some of the quick reactions which were felt after the introduction of Globalisation:

After 1991, the rise in GDP that dropped to 13% in 1991 -92 extended momentum in the following five years (1992-2001). Moreover, the annual average rate of growth in GDP was recorded to be 6.1%.

Furthermore, export growth skyrocketed to 20% in 1993-94. For 1994-95, the figures were recorded to be 18.4 per cent. Export growth statistics in recent years have been very impressive.

Benefits of Globalisation Impacting India

- **Rise in Employment:** With the opening of SEZs or Special Economic Zones, the availability of new jobs has been quite effective. Furthermore, Export Processing Zones or EPZs are also established employing thousands of people. Another factor is cheap labour in India. This has motivated big firms in the west to outsource work to companies present in this region. All these factors are causing more employment.
- **Surge in Compensation:** After the outburst of Globalisation, the compensation levels have stayed higher. These figures are impressive as compared to what domestic companies might have presented. Why? The level of knowledge and skill brought by foreign companies is obviously advanced. This has ultimately resulted in modification of the management structure.
- **Improved Standard of Living and Better Purchasing Power:** Wealth generation across Indian cities has enhanced since Globalisation has fully hit the nation. You can notice an improvement in the purchasing power for individuals,

especially those working under foreign organizations. Further, domestic organizations are motivated to present higher rewards to their employees. Therefore, a number of cities are experiencing better standards of living together with business development.

2. LITERATURE REVIEW

The literature review considered for this exploratory research covers EI, Personality and academic performance.

Singh (2012) in his paper "Globalisation and Its Impact on Indian Economy" found that India needs to launch a 'second generation' of economic reforms, with a more human face, the reforms must be based on the long-term vision of transforming India into a global economic power in the next twenty to twenty-five years.

Sharma (2009) in his book "China and India in the Age of Globalisation" explored how the interplay of socio, historical, political and economic forces has transformed, India and China, once poor agrarian societies into economic powerhouse. In this book he examined the challenges that both countries face and what each must do to strike the balance between reaping opportunities and mitigating risks.

Pillania (2008) in his study "An Exploratory study of Indian Foreign Trade" studies various aspects of Indian foreign trade since 1949. He found that Indian foreign trade has progressed a lot over the last sixty years since independence and India lost its market share to other countries in 1950s and 1960s. The situation improved in 1970s and exports have finally picked up in post liberalization era in general and after 2002 in particular.

Singh (2007) in his study "Globalisation, Industrial Revolutions in India and China and Labor Markets in Advanced Countries: Implications for National and International Economic Policy", examines the impact on labor markets in advanced countries of the integration of the fast - growing countries, China and India. After his study he suggests that Globalisation has a small overall effect on output and employment in advanced countries. The paper concludes that current Globalisation cannot meet these twin objectives and that coordination and cooperation between nation states under alternative Globalisation are much the better way, if not the only way of realising these objectives.

Goyal (2006) in his paper "Impact of Globalisation on developing Countries (with special reference to India)" explores the contours of the on-going process of Globalisation Liberalization and privatization. Throughout this paper, there is an underlying focus on the impact of LPG on Indian economy. Various studies have been made to analyse different aspects of Indian foreign trade, but little has been done to study the impact of Globalisation on Indian foreign trade. Hence, present study proposes to study the effect of Globalisation, on India along with other untouched aspects of the Indian foreign trade.

Basu (2001), laidler (1995), Phelps (1998), has explained the effect of Globalisation on the perspective of health care services and its reforms. The effect of trade and education reforms is well defined by D. Sampath Kumar (2011), Karl P Opper (1995). Again, The Annual Survey of Industries [EPW Research Foundation 200] and Handbook of Statistics on Indian Economy [RBI 2001] are explaining the requirement of small industry as an effective part to measure the impact of Globalisation.

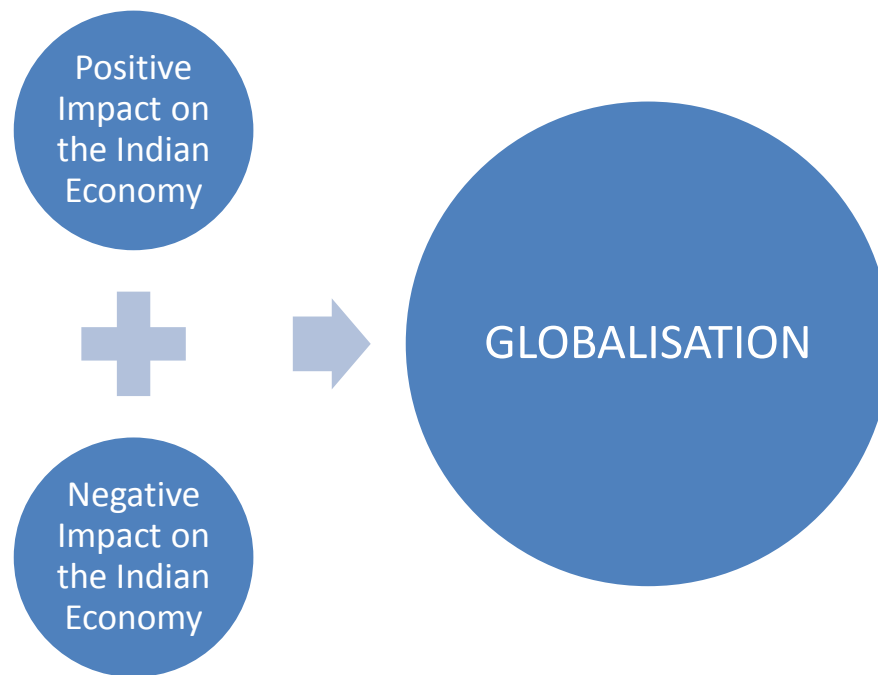
2.1 Observation

On completing an extensive secondary research and literature review, the following conclusions can be made.

1. There is a direct relationship between Globalisation and Indian Economy
2. Globalisation has a positive influence on the Indian Economy.

2.3 Research Gap

Research has been conducted extensively on the relationship between Globalisation and Indian economy, but there are not enough studies on the negative impact of Globalisation on research and that will be explored by me in my next article using primary data.



Conceptual Model

The Conceptual Model explains Globalisation affects and influences the Indian Economy both positively and negatively.

3. CONCLUSION

On doing an extensive Secondary Research and Literature Review about Globalisation and the Indian Economy, it has been concluded that primary research on 3 businessmen will be conducted as a next step in order to test the correlation between Globalisation and Indian Economy. This research aims at shifting the focus to more macroeconomic indicators that is influenced by Globalisations.

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