



GLOBALISATION- A PHENOMENON REVOLUTIONISING THE WORLD

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ABSTRACT

The term 'Globalisation' is a very recent phenomenon, not only to the Indian economy, but to the world. It marks the emergence of its meaning in the world only in the 1970s, with the intersection of the four inter-related sets of 'communities of practice'. Thus, in simpler terms, we can define globalisation as the process of movement of Men, Money and Material from one country to another, which leads to the integration of the economies of the associated countries. Further, environmental issues like cross boundary water, air pollution, over-fishing in the oceans and global warming are also linked with globalisation.

KEYWORDS : Globalisation, Economy, Movement, , Lifestyle

• **RESEARCH OBJECTIVE:-**

The objective of the study is to study the concept of globalisation. To study the impact of globalisation on Indian Economy.

• **RESEARCH METHODOLOGY:-**

The research is of descriptive type which is purely based on secondary data which is collected from mass media sources like newspapers, news articles and internet.

INTRODUCTION:-

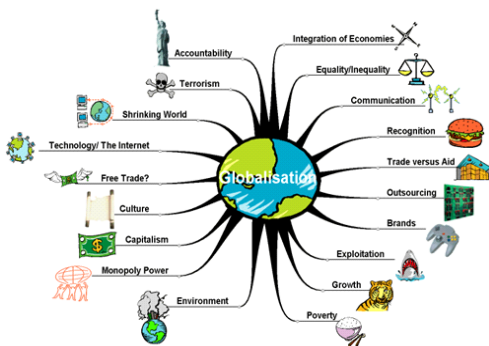
It is just a matter of 2-3 decades ago when Fiat and Ambassador were the only cars running on the roads of India. Gone are the days when there were no packaged food products in the market. It is a great fact that just one word, GLOBALISATION, has revolutionised. In the year 2000, the International Monetary Fund (IMF) had identified the four basic aspects of Globalisation as-

1. Dissemination of Knowledge
2. Migration and movement of People
3. Trade and Transactions
4. Capital and Investment Movements.

The phenomenon of globalisation affects and is affected by economics, business and work organisation, the natural environment and socio-cultural resources. According to academic literature, globalisation can broadly be sub-divided into 3 major categories-

1. Economic Globalisation
2. Cultural Globalisation
3. Political Globalisation

The following picture shows different areas influenced by globalization:



• **THE CONCEPT OF GLOBALISATION- HOW SCHOLARS DEFINE IT?**

1. According to the sociologists Martin Albrow and Elizabeth King, globalisation is a series of all those processes by which the people of the world are incorporated into the single world society.
2. Roland Robertson, a professor of sociology at University of Aberdeen, defined globalisation in 1992 in the following words – the compression of the world and the process of intensification of the consciousness of the world on the whole
3. Paul James defines globalisation with a more direct and historically contextualised emphasis. Globalisation is nothing but the extension of social relations across world-space, defining that world-space in terms of historically variable ways that it has been practised and understood in social terms through the changing world time
4. In *The Consequences of Modernity*, the following definition has been used by Anthony Giddens- Globalisation is a phenomenon which can be defined as the intensification of worldwide social relations which link all the distant localities in such a way that that local happenings are shaped and affected by the events that are happening many miles away and vice versa.
5. In the book *The Race to the Top: The Real Story of Globalisation*, the author, Thomas Larsson states that globalisation is the process of shrinkage of the entire world, of things moving closer, of distances getting shorter. It relates to the increasing ease of interaction between people at one side of the world mutually get in touch with somebody at the other side

• **GLOBALISATION AND GLOBAL MANUFACTURING:-**

Globalisation is a strong integrating force which binds the world economy as a whole. But this phenomenon has another interesting aspect which emphasises on global manufacturing along with global trading.

Let us take the example of Microsoft. It has its headquarters in USA. This company is getting a part of its software developed in India, whereas the software is being used worldwide. Another example could be Ford Motors, USA. This company has a car manufacturing unit in Chennai from where the cars are transported worldwide for sale.

Similarly many other countries make use of this technique for earning greater profits. For instance the countries like China and India where manufacturing could be cheap for reasons like

abundance of raw material of low-cost labour attract the Multi-National Companies (MNCs) as great manufacturing hub. UK and the European countries attract the MNCs for their wonderful markets which is a very important and profitable factor for the sale of the goods and services. India and Japan have the provision of skilled and qualified staff which is the requirement for setting up customer care services or call centres. Thus, the MNCs greatly benefit from investing in global manufacturing.

This technique also proves helpful in providing employment opportunities across the world. This also affects the world economy greatly. This results in the interdependence of national economies at an international level

THE DEVELOPMENT OF GLOBALISATION:-

Since the early historical ages, global trade has been connecting mankind in multiple ways. The maritime silk route of early history connected Asia to the rest of the world. It not only facilitated the movement of goods but also witnessed the movement of people and ideas through it. Nowadays, the way we have become fans of pizza or noodles, the people abroad relish the delicacies like Indian curry or chicken tikka.

The early era of globalisation witnessed the export of raw materials and the labour from Asia, whereas there was a huge import of finished goods from Europe. But from the mid- 20th centuries, the facts began to change. From the mid-20th century to the end of 20th century, certain companies became multinationals and they started spreading their economic activities to various parts of the world.

STIMULUS FOR GLOBALISATION:-

Earlier, countries impose heavy taxes and import duties to protect and promote their local industries and restrict goods from outside. This process was a part of deliberate trade barriers. But the WTO (World Trade Organisation) successfully convinced all its member countries to reduce trade barriers. The organisation believes in unrestricted trade opportunities across the world. The liberalisation policies were being followed in India after 1991, which resulted in MNCs setting up their shops and manufacturing units in India. Now the people have innumerable options for every product that is available in the market

IMPACT OF GLOBALISATION ON THE INDIAN ECONOMY- SOME FACTS AND FIGURES:-

Our country has highly benefitted from the LPG model as its GDP has increased to 9.7% in the year 2007-2008.

- The condition of the improvement of agriculture after globalisation is not really impressive. Its share in GDP still continues to be 17% only.
- The number of landless families has increased evidently and many farmers are committing suicide.
- In the field of market capitalisation, India ranks 4th in the whole world.
- The lesson from the recent experiences and happenings is that a country must carefully choose a combination of policies in such a way that it best enables the country to take the opportunity-while avoiding pitfalls.
- The development of globalisation has also helped in shifting the focus from the US and the rich countries to the 2 Asian giants-India and China. The various studies conducted across the globe predict that India and China may rule the world in the 21st century.
- India which is the 4th largest economy in terms of purchasing power parity may become the 3rd largest economic power and

overtake Japan within the next 10 years

• RESULTS OF GLOBALISATION:-

1. Better Employment Opportunities: India is a leader in the BPO (Business Process Outsourcing) sector, which provides the MNCs with back-office support. The growing economic activities have become a major reason for the development of many economic activity centres in India. These are ideally found in Delhi, Mumbai, Chennai, Kolkata, Gurgaon, Meerut, Hyderabad and Bangalore.

2. Change in Lifestyle: The best gift of globalisation to the people is affordable luxuries. People can now live a much luxurious and comfortable life at a very low cost. Globalisation has also brought in a drastic change in food habits, dressing style and communication.

3. Uneven Benefits of Development: For every MNC executive, there is a larger number of daily wage earners and rickshaw pullers etc. There are millions of people who are still unable to earn two square meals a day. The news of farmers' suicide is still very common to our ears.

4. Unfair Means Adopted by Developed Countries: The developed countries till impose heavy trade barriers and give subsidies to their farmers. It seems as if the WTO negotiations have no effect on these developed nation

• CONCLUSION:-

Globalisation is no more a dream or a vision, but a reality which is now here to stay. It has surely given more benefits than problems. For spreading the benefits of globalisation among the masses, the policy makers and the economists of the world need to fine tune their strategies. The ultimate success of globalisation is when it can actually help us achieve all the parameters of development. These parameters are not all about financial growth and monetary income, but they aim at education, security, better health care and overall quality of life for all the people.

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