

TOPICS to be covered

- 1 Globalisation and the Indian Economy *Meaning*



GLOBALIZATION **AND THE** INDIAN ECONOMY





What Is Globalisation?

- Globalisation is the process of rapid integration or interconnection of countries. MNCs are playing a major role in the globalisation process.
- More and more goods and services, investments and technology are moving between countries.
- There is one more way in which the countries can be connected. This is through the movement of people between countries.

→ Economic context.



→ Cultural Globalisation



Besides The Movement Of Goods, What Are The Ways In Which Countries Can Be Linked?



- I. Besides the movement of goods, services, investment and technology, there is one more way in which the countries can be connected.
- II. It is done through the movement of people between countries.
- III. People usually move from one country to another in search of better income, better jobs or better education.





Factors That Have Enabled Globalisation Technology

- Rapid improvement in technology has been one major factor that has stimulated the globalisation process.
- For instance, the past fifty years have seen several improvements in transportation technology.
- This has made much faster delivery of goods across long distances possible at lower costs.

Impact

Technology
Liberalisation





Containers for Transport of Goods





How Has Information And Communication Technology Stimulated Globalisation Process? Explain With Examples



- Even more remarkable have been the developments in information and communication technology.
- Telecommunication facilities (telegraph, telephone including mobile phones, fax) are used to contact one another around the world, to access information instantly, and to communicate from remote areas.
- This has been facilitated by satellite communication devices.



- A news magazine published for London readers is to be designed and printed in Delhi. The text of the magazine is sent through Internet to the Delhi office. The designers in the Delhi office get orders on how to design the magazine from the office in London using telecommunication facilities. The designing is done on a computer. After printing, the magazines are sent by air to London. Even the payment of money for designing and printing from a bank in London to a bank in Delhi is done instantly through the Internet (e-banking)!





Liberalisation of Foreign Trade and Foreign Investment Policy



■ **Tax on Imports:**

Trade barrier

- Governments can use trade barriers to increase or decrease (regulate) foreign trade and to decide what kinds of goods and how much of each, should come into the country.
- The Indian government, after Independence, had put barriers to foreign trade and foreign investment.

*Imports
Barrier*





Why Had Indian Government Put Barriers To Foreign Trade And Foreign Investment After Independence? Explain.



- The Indian government after independence had put barriers to foreign trade and investment. This was done to protect the producers within the country from foreign competition. Industries were just coming up in the 1950s and 1960s and competition from imports at that stage would not have allowed these industries to develop and grow. Imports of only essential items such as machinery, fertilisers, petroleum etc. was allowed.

Why did the Indian govt. had put barriers on foreign trade & investment?





Why are trade barriers imposed on the foreign trade and investment in a country? Explain.



Trade barriers are used by the governments:

1. To increase, decrease or regulate foreign trade.
2. To decide what kinds of goods and how much of each, should come into the country.
3. To protect the producers within the country from foreign competition.



❑ 1991 –

- Removing barriers or restrictions set by the government is what is known as liberalisation.





“Barriers on foreign trade and foreign investment were removed to a large extent in India since 1991.” Justify the statement.

- This meant that goods could be imported and exported easily and also foreign companies could set up factories and offices here.
- **Removing barriers or restrictions set by the government is what is known as liberalisation.**
- The government imposes much less restrictions than before and is therefore said to be more liberal.





Summary

