

.# Globalization An Opportunity or a Threat?



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Is Globalization really necessary in India ?

In today's globalized environment, the government, public sector, and private sector must all collaborate to make the country economically competitive. Due to the advancement of communication technologies, the effects of globalization have altered every element of existence. Taking advantage of the global opportunities brought up by globalization has led to the growth of several third-world countries. Numerous job opportunities were generated, and foreign currency was perceived as foreign investment by the financial markets.

Advantages of Globalization :

- It will increase the trading between different nations free of cost.
- Advancement of new technologies
- Global Expansion in the business operations.
- Reduction of Cultural Barriers, Increases the global village effect.

Disadvantages of Globalization :

- Government Laws and Control
- Greater chance of reactions for globalization being
- Violent in an attempt to preserve cultural heritage
- Increases the chances of Civil War

In favour:

- The rate of growth of the Gross Domestic Product of India has been on the increase from 5.6 per cent during 1980-90 to 7.1% in the year 2016. This has been possible only due to the advent of globalisation.
- Globalisation offers an increased advantage to consumers as there is a greater choice in front of them. Consumers can enjoy improved quality and lower prices for several products.
- Local and small companies that were supplying raw materials to large companies will be prospered with the advent of globalisation. Large Indian companies like Tata motors have emerged as multinationals.
- Free labour movement between nations is another component of globalisation. In relation to India, this means reducing restrictions and barriers to MNC entry in India and opening up the economy to foreign direct investment by allowing foreign corporations to operate in a variety of Indian economic sectors. This translates to more work options and a greater level of living than was previously feasible.
- The first step towards globalization was taken with the announcement of the devaluation of Indian currency by 18-19 percent against major currencies in the international foreign exchange market. In fact, this measure was taken in order to resolve the BOP crisis.

Against:

- The importation of electronic items at a very low cost was made possible by the liberalisation of foreign trade policies. This problem was too great for local producers of electrical items to handle.
- MNCs saturated the market with high-quality, inexpensive products. Local manufacturers struggle because they are unable to compete with huge MNCS.
- The Indian economy has been and continues to be based on agriculture. Agriculture contributed 59 percent of the country's gross domestic output and employed 72% of the workforce in 1951. However, by 2001, Against 58 percent of the population was dependent on agriculture, while the

sector's contribution to the GDP fell sharply to 24 percent and then to 22 percent in 2006–07. Farmers' per-capita income has decreased as a result, and rural indebtedness has increased. Therefore, globalisation has harmed impoverished farmers more than it has helped.

- The reasons for the deceleration of the growth of agriculture are given in the Economic Survey 2006-07: The performance of the sector was hampered by poor investment, uneven fertiliser use, a low rate of seed replacement, a flawed incentive structure, and inadequate post-harvest value addition. Low agricultural growth seriously affects the inclusiveness of growth because more than half of the population depends on this sector directly.

Conclusion

In summary, globalisation turns out to be a double-edged sword that offers the world both benefits and risks. On the one hand, through more connectedness, it provides avenues for technological advancement, economic growth, and cultural enrichment. However, there are drawbacks to globalisation as well, such as concerns over job displacement, cultural homogenization, economic injustice, and environmental deterioration. The way these possibilities and challenges are positioned together highlights how complicated globalisation is and how careful planning is needed to maximise its positive effects while minimising its drawbacks.