
HISTORY OF GLOBLIZATION AND ITS IMPACT ON INDIA

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ABSTRACT

Globalization is mainly a socio-economic term which is nowadays synonymous with the economic development of a country. In easy terms, it is a continuous procedure through which different societies, economies, traditions and culture integrate with each other on a global scale through the means of communication and exchange of ideas. By having an idea of the history of globalization, one will be able to properly understand the causes which led to such social and economic change.

INTRODUCTION

Alexander the Great forges eastward link with Chandragupta Maurya for overland routes between the Mediterranean, Persia, India, and Central Asia. During the 1st century CE the trans-world trade makes its first major appearance in China under the Han dynasty and successfully established trade relations with Asian and European countries. The period from 650-850 AD records the expansion of Islam and trade relations with the west Mediterranean region with the Indian sub-continent. The Rise of Genghis Khan during 1100 AD gave rise to the integration of overland routes across Eurasia. The 1650s marks the expansion of the slave trade and it sustained the expansion of Atlantic Economy, giving birth to integrated economic and industrial systems across the Ocean. The period from 1776 to 1789 AD marks the US and French Revolutions and the creation of modern state as a fall-out of military and business interests. These integrated empires expand during the industrial revolution. The eighteenth century marks the merging of the modernity with globalization and it also marks the foundation for the creation of international trade law.

LATE HISTORY OF GLOBALIZATION:

According to most scholars and researchers, it is the modern age which led to the origin of globalization. In this age, wide spread development took place in the field of infrastructure and connectivity. This led to more interaction between the nations and sharing of ideas, culture and tradition took place. All these put a direct impact on the process of globalization. In the economic scenario, more trade links started taking place between countries on a global scale which influenced global as well as domestic economies to a great extent.

However, there are some scholars who point out that the origins of the history of globalization can be traced back to the ancient civilizations. Scholars who advocate this theory say that the example of the earliest forms of globalization is the trade links between the Sumerian civilization and the Indus Valley Civilization in third millennium B.C. In fact, after this age, there are numerous instances where trade links were established between various countries like India, Egypt, Greece, and Roman Empire and so on. There were regular business links between the Parthian Empire, Roman Empire and Han Dynasty.

GLOBALIZATION IN THE MEDIEVAL ERA:

The Islamic period in the medieval era is an important epoch in the history of globalization. This was when the Jewish and the Muslim traders started going to various parts of the world to sell various items. This led to a blend of ideas, traditions and customs.

In China, the first postal service was introduced and paper was invented. This led to better knowledge sharing. As more and more people started traveling to various countries across the world, it led to more communication between people and intermingling of languages. Explorers like Columbus and Vasco Da Gama sailed through the oceans in search of new countries and establish trade links with them or to make other countries their colonies. All these factors were a major cause for the development of the pre-globalization era.

The medieval period was the age of discovery. It was in this period that Africa and Eurasia engaged in cultural and economic exchange between them. Gradually, this led to the growth of colonies in various parts of Africa, Asia and Latin America. As a result, there was constant blend of the ideas, languages, rituals and customs between the natives and the foreign inhabitants. In fact, this system of colonization put a deep impact on agriculture, trade, ecology and culture on a global scale.

GLOBALIZATION AMONG THE PRE MODERN PERIODS TO MODERN PERIOD:

The industrial revolution in the 19th century was one of the major periods in the history of globalization. Due to the industrial revolution, there was a significant increase in the quantity and quality of the products. This led to higher exports and better trade and business relations. Due to better products and colonization, lots of countries across the world became the consumers of the European market. The phase of pre globalization perhaps came to an end after the First World War was fought. The war put a significant adverse effect on the economic scenario and it led to the Great Depression and gold standard crisis in the later part of the 1920s and early 1930s.

GLOBALIZATION IN THE MODERN ERA:

Globalization, in the modern sense of the term, came into existence after the Second World War. One of the main factors for this was the plan by the world leaders to break down the borders for fostering trade relations between nations. It was also in this period that major countries like India, Sri Lanka, Indonesia and some countries in South America gained independence. As a result, these countries too started having their own economic systems and made established trade relations with the rest of the world. The establishment of the United Nations Organization (UNO) was also a major step in this regard. Gradually, the economic scenario of the world strengthened and it led to better trade relations and communication. Some other factors which have put a positive impact on globalization are:

- Promotion of free commerce and trade
- Abolition of various double taxes, tariffs, and capital controls
- Reduction of transport cost and development of infrastructure
- Creation of global corporations
- Blend of culture and tradition across the countries

Another milestone in the history of globalization is the creation of the World Trade Organization which led to the growth of a uniform platform to settle trade and commercial disputes. According to economic surveys, the world exports improved significantly from 8.5% to around 16.2% due to globalization.

INDIA AND GLOBALIZATION:

The wake of globalization was first felt in the 1990s in India when the then finance minister, Dr Manmohan Singh initiated the economic liberalization plan. Since then, India has gradually become one of the economic giants in the world. Today, it has become one of the fastest growing economies in the world with an average growth rate of around 6-7 %. There has also been a significant rise in the per capita income and the standard of living. Poverty has also reduced by around 10 %.

The service industry has a share of around 54% of the annual Gross Domestic Product while the industrial and agricultural sectors share around 29% and 17% respectively. Due to the process of

globalization, the exports have also improved significantly. Globalization has really out a positive impact on today's economy and it is expected to develop in the years to come.

EFFECTS OF GLOBALIZATION ON INDIAN INDUSTRY:

When the government opened the country's markets to foreign investments in the early 1990. Globalization of the Indian Industry took place in its various sectors such as steel, pharmaceutical, petroleum, chemical, textile, cement, retail, and BPO.

Globalization means the dismantling of trade barriers between nations and the integration of the nations economies through financial flow, trade in goods and services, and corporate investments between nations. Globalization has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport. The government of India made changes in its economic policy in 1991 by which it allowed direct foreign investments in the country. As a result of this, globalization of the Indian Industry took place on a major scale.

The various beneficial effects of globalization in Indian Industry are that it brought in huge amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As huge amounts of foreign direct investments were coming to the Indian Industry, they boosted the Indian economy quite significantly. The benefits of the effects of globalization in the Indian Industry are that many foreign companies set up industries in India, especially in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to provide employment to many people in the country. This helped reduce the level of unemployment and poverty in the country. Also the benefit of the Effects of Globalization on Indian Industry are that the foreign companies brought in highly advanced technology with them and this helped to make the Indian Industry more technologically advanced.

The various negative Effects of Globalization on Indian Industry are that it increased competition in the Indian market between the foreign companies and domestic companies. With the foreign goods being better than the Indian goods, the consumer preferred to buy the foreign goods. This reduced the amount of profit of the Indian Industry companies. This happened mainly in the pharmaceutical, manufacturing, chemical, and steel industries. The negative Effects of Globalization on Indian Industry are that with the coming of technology the number of labor required decreased and this resulted in many people being removed from their jobs. This happened mainly in the pharmaceutical, chemical, manufacturing, and cement industries.

The effects of globalization on Indian Industry have proved to be positive as well as negative. The government of India must try to make such economic policies with regard to Indian Industry's Globalization that are beneficial and not harmful.

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