

## **Globalization and it's Impact**

Globalization 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, when the countries that were previously shut to foreign investment and trade have now burned down barriers.

When we talk about **globalization and the Indian economy**, one name strikes our mind, that is, Dr. Manmohan Singh. He was the finance minister in the 1990s when globalization 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 globalization:

- 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 Globalization 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 globalization, 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 globalization 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

### **Disadvantages of Globalization in India**

If we are discussing **globalization and the Indian economy**, then talking about the negative effects is also important. The informal sector is purposely not listed in the labour legislation. For example, informal workers aren't the subject considering the 1948 Factories Act. This scheme covers vital factors such as common working conditions, safety, and health, the ban on child labor, working hours etc. Also, globalization has caused poor health, disgraceful working conditions, as well as bondage, happening in different parts of the country.