**Brief Report**
Volume 11:04, 2022

International Journal of Economics & Management Sciences

ISSN: 2162-6359

Open Access

# A Report on Globalization and the Indian Economy

**Sudhakar Nudurupati***

*Department of Business Administration, GITAM University, Visakhapatnam, Andhra Pradesh, India*

## Introduction

Consider a little village market where anyone can come and sell their goods at any price they like. They have complete control over their products and prices. This is a global market. Anyone, in a broad sense referring to anyone from any nation, who want to establish, acquire, combine industries, invest in stock and shares, or sell their products and services in India is welcome to do so. But what is the mechanism of globalization? What impact does it have on the Indian economy?

Humans have progressed to the point where everything is easily available. What if you couldn't purchase things from an international brand's online store? You can become frustrated or furious as a result of it. Free trade and cross-border investments have not always been easy to come by. Around two to three decades ago, the notion of 'globalization' became widely accepted. This enables countries to conduct commerce and other operations in a more orderly manner.

## Description

India was one of the first countries to benefit greatly from the introduction and execution of globalization. Foreign investment in the retail, corporate and scientific sectors has increased dramatically in the country. It is critical to become familiar with the primary notion of globalization, which is globalization, in order to learn more about globalization and India.

According to the World Commerce Organization, India now contributes for 2.7 percent of global trade (as of 2015), up from 1.2 percent in 2006 (WTO). India was largely and purposely isolated from the international markets until 1991, in order to safeguard its fledgeling economy and develop self-reliance. Import tariffs, export taxes and quantitative restrictions hampered international trade, while foreign direct investment was restricted by upper-limit equity participation, restrictions on technology transfer, export obligations and government approvals; nearly 60% of new FDI in the industrial sector required these approvals. Between 1985 and 1991, the limits limited FDI to roughly $200 million per year, with foreign aid, commercial borrowing and non-resident Indian deposits accounting for a substantial portion of the capital flows [1].

The onset of globalization has a significant impact on Indian society. Globalization and the Indian economy were intertwined and subsequent economic policies reflected this shift. It was also used by the government to develop administrative policies. The goal was to increase economic prospects in the country, create jobs and attract international investment. The Indian economy's globalization has an influence on its culture as well. The introduction of different civilizations and their conventions influenced the culture of this country in numerous ways. In addition, India is one of the countries that has seen economic success as a result of implementing this philosophy. The entrance and expansion of foreign investment in key areas of the Indian economy fueled the country's economic growth even more.

***Address for Correspondence:** Sudhakar Nudurupati, Department of Business Administration, GITAM University, Visakhapatnam, Andhra Pradesh, India; E-mail: Sai.nudurupati@gitam.edu*



**Received:** 02 April, 2022, Manuscript No. IJEMS-22-65166; **Editor Assigned:** 04 April, 2022, Pre-QC No. P-65166; **Reviewed:** 11 April, 2022, QC No. Q-65166; **Revised:** 18 April, 2022, Manuscript No. R-65166; **Published:** 25 April, 2022, DOI: 10.37421/2162-6359.2022.11.639

The banking sector reforms are the most crucial part of India's economic liberalisation plan. Foreign rivals are now able to enter our local market as a result of recent economic liberalisation initiatives. Survival has necessitated innovation. Financial intermediaries have abandoned their previous strategy and are now willing to take on additional credit risks. As a result, many developments have occurred in the global financial sectors, which have repercussions in the home market. The rise of many financial institutions and regulatory organisations has changed the financial services industry from a conservative to a dynamic one. This sector is confronted with a variety of issues as a result of this process. In this new setting, India's financial services industry will have to play a very positive and active role in the years ahead by delivering a wide range of innovative products to meet the diverse needs of the country's millions of potential investors. The banking sector reforms are the most crucial part of India's economic liberalisation plan.

After decreasing to 5.6 percent in 2003-04, growth in financial services (which includes banking, insurance, real estate and business services) rebounded to 8.7 percent in 2004-05 and 10.9 percent in 2005-06. With 11.1 percent increase in 2006-07, the impetus has been sustained. The financial services business is undergoing a transformation as a result of globalization. In the global financial services business, market upheavals, competition and technology advancements are ushering in unprecedented transformations.

India benefited greatly from the LPG model, with its GDP rising to 9.7% in 2007-2008. India is ranked fourth in the world in terms of market capitalisation. Agriculture, however, has not improved as a result of globalization. Agriculture accounts for only 17 percent of GDP. Farmers continue to commit suicide as the number of landless households grows. However, given the good benefits of globalization, it is reasonable to expect India to overcome these obstacles and continue on its economic path [2-5].

## Conclusion

The recent experience has shown us that a country must carefully select a policy mix that allows it to seize the opportunity while avoiding the drawbacks. The United States has been the world's greatest economy for nearly a century, but huge changes in the global economy have occurred since then, causing the attention to move from the US and the wealthier countries of Europe to the two Asian giants, India and China. According to economists and studies done throughout the world, India and China will govern the planet in the twenty-first century.

## Acknowledgement

None.

## Conflict of Interest

The authors declare that there is no conflict of interest associated with this manuscript.

## References

1. Lakha, Salim. "The Bharatiya Janata Party and globalization of the Indian economy." *South Asia J South Asia Stud* 17 (1994): 213-229.
2. Ganguly-Scrase, Ruchira. "Globalization and its discontents: An Indian response." *J Occup Sci* 7 (2000): 138-147.

3. Khandwalla, Pradip N. "Effective organisational response by corporates to India's liberalisation and globalization." *Asia Pacific J Manag* 19 (2002): 423-448.

4. Bhalla, G.S. "Globalization and employment trends in India." *Indian J Labour Econ* 51 (2008): 1-23.

5. Lakha, Salim. "From Swadeshi to globalization: The Bharatiya Janata Party's shifting economic agenda." *South Asia J South Asia Stud* 25 (2002): 83-103.

**How to cite this article:** Nudurupati, Sudhakar. "A Report on Globalization and the Indian Economy." Int J Econ Manag Sci 11 (2022): 639.