

- Globalisation: Concept, Causes and Consequences
- India and Globalisation
- Resistance to Globalisation, India and Resistance to Globalisation

Globalisation: Concept, Causes and Consequences

Globalisation refers to the increasing interconnectedness and interdependence among countries through the exchange of goods, services, information, ideas, culture, and people across international borders. It involves flows of ideas, capital, commodities, and people moving across the world.

As a multidimensional process, globalisation has political, economic, and cultural manifestations.

Causes of Globalisation

Globalisation is driven by multiple factors including historical developments, technological innovations such as the telephone and microchip, liberalisation of foreign trade and investment policies, and the expansion of multinational companies. Advances in communication and transportation have made it easier for ideas, capital, commodities, and people to move globally.

Political Consequences

Globalisation leads to an erosion of state powers, reducing the government's ability to independently make decisions. However, the primacy of the state remains based on

political community.

Economic Consequences

Economic globalisation increases flows of commodities, capital, people, and ideas among countries. Rich countries invest in others, and institutions like the IMF and WTO influence economic policies. While it can promote economic growth and well-being, it also requires welfare states to mitigate negative impacts and ensure access to education, healthcare, and social security.

Cultural Consequences

Cultural globalisation enlarges choices and modifies cultures without necessarily overwhelming traditional norms. It can lead to cultural homogenisation (uniform cultures worldwide) or cultural heterogenisation (diverse cultural influences coexisting and enriching societies).

Exam Question

Question: What are the main causes of globalisation?

Answer: The main causes of globalisation include technological innovations like the telephone and microchip, liberalisation of trade and investment policies, historical factors, and the growth of multinational companies that facilitate the movement of ideas, capital, commodities, and people across borders.

Solved Example

Example: Explain why the welfare state is being replaced by the market in the context of globalisation.

Solution:

Step 1: Globalisation erodes state capacity, leading to a minimalist state focusing on core functions like law and order.

Step 2: The state withdraws from welfare functions related to economic and social well-being.

Step 3: The market becomes the prime determinant of economic and social priorities, with multinational corporations influencing government decisions.

India and Globalisation

Globalisation has historical roots in India, with flows of capital, commodities, ideas, and people occurring over centuries. During colonial times, India was an exporter of raw materials and importer of finished goods. Post-independence, India focused on self-reliance and restricted imports to develop domestic industries.

In 1991, India initiated economic reforms to liberalise and deregulate trade and foreign investment, responding to a financial crisis and aiming for higher economic growth.

Critics argue that globalisation benefits the rich more than the poor, weakens the state, and threatens traditional culture and values. Anti-globalisation movements oppose specific globalisation programmes seen as imperialistic.

Examples include protests at the 1999 World Trade Organisation Ministerial Meeting and the formation of the World Social Forum, which brings together activists opposing neoliberal globalisation.

Exam Question

Question: What were the main features of India's approach to globalisation after 1991?

Answer: After 1991, India liberalised its economy by deregulating trade and foreign investment, aiming to increase economic growth. This marked a shift from protectionism to greater integration with the global economy, while critics raised concerns about inequality and cultural impacts.

Resistance to Globalisation, India and Resistance to Globalisation

Resistance to globalisation arises from concerns about its negative effects despite its benefits. Key reasons include loss of cultural identity, economic inequality, exploitation of workers, environmental damage, loss of national sovereignty, and unemployment in certain sectors.

Examples of resistance include protests against the World Trade Organization and International Monetary Fund, campaigns promoting local products, and indigenous efforts to protect culture and land.

In India, resistance comes from various quarters:

- Left-wing protests against economic liberalisation through political parties, trade unions, and farmer organisations opposing multinational corporations.
- Right-wing cultural resistance opposing Western influences such as foreign TV channels, Valentine's Day celebrations, and changes in traditional dress codes.
- Social and political groups highlighting economic, cultural, and environmental concerns.

Exam Question

Question: What are the main reasons for resistance to globalisation?

Answer: Resistance to globalisation is mainly due to fears of losing cultural identity, increasing economic inequality, exploitation of workers, environmental harm, loss of sovereignty, and job losses in traditional sectors.

Practice Set

- **Easy:** Define globalisation and list two causes.
- **Moderate:** Explain the economic consequences of globalisation.
- **Challenging:** Discuss the reasons for resistance to globalisation in India.

Answer Key

- **Easy:** Globalisation is the process of increasing interconnectedness among countries. Causes include technological advances and liberalisation of trade.
- **Moderate:** Economic consequences include increased trade and investment, growth opportunities, but also inequality and need for welfare states.
- **Challenging:** Resistance reasons include cultural loss, economic inequality, exploitation, environmental concerns, and loss of sovereignty.

Quick Reference

- **Globalisation:** Increasing global interconnectedness.
- **Liberalisation:** Relaxation of government regulations.
- **Multinational Corporations:** Companies operating in multiple countries.
- **Cultural Homogenisation:** Uniform global culture.
- **Cultural Heterogenisation:** Coexistence of diverse cultures.
- **Resistance:** Opposition to negative effects of globalisation.

Glossary

- **Globalisation:** Process of increasing integration among countries.
- **Liberalisation:** Removal or loosening of restrictions on economic activities.
- **Multinational Corporation (MNC):** A company that operates in several countries.

- **Welfare State:** A government that provides social services to its citizens.
- **Privatisation:** Transfer of ownership from public to private sector.
- **IMF:** International Monetary Fund, an international financial institution.
- **WTO:** World Trade Organization, regulates international trade.

Chronology Table

Year	Event	Significance
1991	India begins economic reforms	Start of liberalisation and integration with global economy
1999	WTO Ministerial Meeting in Seattle	Widespread protests highlighting concerns of developing countries
2001	First World Social Forum meeting	Platform for activists opposing neoliberal globalisation
2004	Fourth World Social Forum meeting	Continued global dialogue on social and economic issues