

अभ्यास | CLASS 10TH

SOCIAL SCIENCE

**ECONOMY | GLOBALISATION AND THE
INDIAN ECONOMY**

Crafted with love 

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What is Globalisation ?



- The process of rapid integration or interconnection between countries.
- More & more goods & services, investments & technology are moving between countries
- It helps in movement of people for better- income, job, education between countries.

- Foreign trade results in connecting/integrating the markets in different countries. = **Globalisation**
- **MNCs** act as an agent in the **process of Globalisation.** 🤔

Factors that have Enabled Globalisation

- Technology
- Liberalisation of foreign trade and foreign investment policy.

1. Improvement in technology



Stimulate the globalisation process.



Explain



Improvement in transportation technology

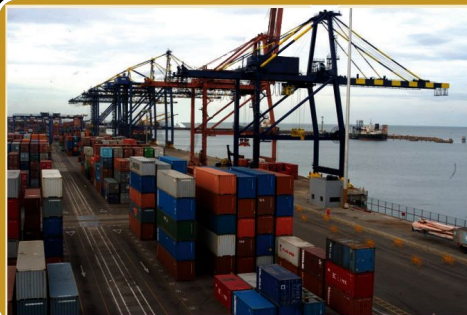


This has made much faster delivery of goods across long distances possible at lower costs.

Development in information and communication technology



Telecommunication, computers, and internet are some of the developments which are connecting world to remote areas with satellite communication devices.



Containers for transport of goods

Goods are placed in containers that can be loaded intact onto ships, railways, planes and trucks. Containers have led to huge reduction in port handling costs and increased the speed with which exports can reach markets. Similarly, the cost of air transport has fallen. This has enabled much greater volumes of goods being transported by airlines.

Information and communication technology (or IT in short) has played a major role in spreading out production of services across countries. Let us see how.

Using IT in Globalisation

A news magazine published for London readers is to be designed and printed in Delhi. The text of the magazine is sent through Internet to the Delhi office. The designers in the Delhi office get orders on how to design the magazine from the office in London using telecommunication facilities. The designing is done on a computer. After printing, the magazines are sent by air to London. Even the payment of money for designing and printing from a bank in London to a bank in Delhi is done instantly through the Internet (e-banking)!



LET'S WORK THESE OUT

1. In the above example, underline the words describing the use of technology in production.
2. How is information technology connected with globalisation? Would globalisation have been possible without expansion of IT?

In which one of the following ways has 'information and communication technology' stimulated the 'globalisation' process the most?

CBSE Board Paper 2023 - Set [32/4/1]

- a. Access foods across countries
- b. Access raw material across countries
- c. Access services across countries
- d. Access information instantly across countries

2. Liberalisation of foreign trade and foreign investment.

What is Liberalisation? → **Need**

After Independence

Trade Barriers : Tax on import is an example of trade barrier, governments can use trade barriers to increase or decrease (regulate) foreign trade.

This was considered necessary to protect the producers within the country from foreign competition. Industries were just coming up in the 1950s and 1960s.

No Imports → Only essential items were allowed.

Impact

After 1990's

Around 1991, some changes in policy were made in India.

- The government decided that the time had come for Indian producers to compete with producers around the globe.
- It felt that competition would improve the performance of producers within the country since they would have to improve their quality.
- This decision was supported by powerful international organisations.

Liberalisation

Removing barriers or restrictions set by the government is what is known as liberalisation.

Why did the Indian government liberalize trade regulations in 1991 ?

CBSE Board Paper 2023 - Set [32/4/1]

- a. Government wanted foreign exchange equivalent to Indian Currency.
- b. Government wanted to maintain good relations with Western Countries.
- c. Government wanted Indian producers to compete in the World Market.
- d. Government wanted to provide socio-economic justice to all.

India and the G20



=

Group of 20



- G20 was founded in 1999, is an international, intergovernmental forum for economic cooperation comprising 19 countries and the European Union (EU).
- The members of the G20 are **Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, the United Kingdom, the United States, and the European Union.**

Significance and functioning



- Leaders from the member countries meet annually to discuss significant issues pertaining to the global economy including international financial stability, digital economy, climate finance and climate change mitigation, and sustainable development.
- **Its members represent 85% of global GDP, 75% of international trade and two-thirds of the world's population.**
- **India's Role in the G20 :** The G20 presidency rotates among the member countries annually and is being assumed by India from Indonesia from **1st December 2022**. India will convene the G20 Leaders summit for the first time in the country in **September 2023**.

Multinational Corporation : A MNC is a company that owns or control production in more than one country. MNCs set up offices and factories for production in regions where they can get cheap labour and other resources, to minimise cost and maximise profit.

Foreign Investment: Any money that is spent to buy assets such as land, building, machines and other equipment by a company (usually MNC) in other country, the investment received that country is known as foreign investment.

Foreign Trade : Foreign trade is a trade between different countries of the world. It is also called international trade, external trade or inter regional trade. It consists of imports and exports.

Globalisation : It is the process of rapid integration or interconnection between countries by greater foreign investment and great foreign trade.

Trade Barrier: It is a restriction on the free international exchange of goods or services. Tax on imports (called import duty) is an example of a trade barrier.

Liberalisation : Removing barriers or restrictions set by the government on foreign trade is known as liberalisation.

Define globalisation. Describe any four benefits of globalisation to the Indian economy.



Globalisation is the process of rapid integration or interconnection between countries, where goods, services, investments, and technology increasingly move across borders. This process is largely driven by the activities of multinational corporations (MNCs).

Benefits of globalisation to the Indian economy are :

- I. **Increased Investment and Job Creation:** Multinational corporations (MNCs) have invested in industries like electronics, automobiles, and services in India, creating new jobs and benefiting local suppliers of raw materials.
- II. **Improved Competitiveness of Indian Companies:** Increased competition from globalisation has encouraged top Indian companies to adopt new technology, improve production standards, and collaborate with foreign companies, leading to better performance.
- III. **Emergence of Indian Multinationals:** Globalisation has enabled Indian companies like Tata Motors, Infosys, and Ranbaxy to expand globally and become multinational corporations themselves.
- IV. **Growth in IT and Service Industries:** Globalisation has created new opportunities in India's service sector, particularly in IT, call centres, and outsourcing services like data entry and accounting, which are provided to developed countries at lower costs.

“Rapid improvement in technology has stimulated the globalisation process”.
Explain the statement with examples.



Technology has enabled globalization by making communication, transportation, and information sharing faster and more affordable.

- Improved transportation technology, such as containers for shipping and cheaper air transport, has made it faster and cheaper to deliver goods across the world.
- Advances in information and communication technology (like the Internet, mobile phones, and satellite communication) have allowed people and businesses to connect instantly, share information, and conduct global transactions with ease.
- Example: Containers for transport of goods-Containers allow goods to be packed and easily loaded onto ships, trains, planes, and trucks. This has lowered port handling costs and speed up the delivery of exports to markets.

Why had the Indian government put barriers to foreign trade and foreign investment after independence? Analyse the reason.



- To protect the domestic producers within the country from foreign competition in the form of imports.
- To encourage more production of goods so that more industries can be started.
- Indian industries were just coming up, they were not prepared to face challenges from foreign countries.

Barriers on foreign trade and foreign investment were removed to a large extent in India since 1991. Justify the statement.



- Government of India liberalised its policy and felt that Indian producers must compete with producers around the world.
- Trade competition would improve the performance of the local producers within the country since they will be forced to improve their quality.
- Economic crises in India in 1990-91 and support of WTO and IMF led the government to improve trade barriers.

CBSE Board Paper 2019 - Set [32/4/1]

Assess any three advantages of globalisation.

3

CBSE Board Paper 2019 - Set [32/4/1]

Analyse the contribution of communication technology in globalisation.

1

CBSE Board Paper 2020 - Set [32/3/1]

Correct the following statement and rewrite it.

1

Removing barriers or restrictions by the government is known as Globalisation.

CBSE Board Paper 2022 - Set [32/2/1]

Technology is the vital force in the modern form of globalisation." Explain the statement with suitable examples.

CBSE Board Paper 2023 - Set [32/2/1]

Which one of the following is a challenge of Globalisation?

1

- (a) Access to New Markets
- (b) Access to New Talent
- (c) International Recruitment
- (d) Disproportionate Growth

CBSE Board Paper 2023 - Set [32/4/1]

How is information technology connected with globalization Explain.

3

CBSE Board Paper 2023 - Set [32/6/1]

"Liberalisation of foreign trade and foreign investment policy have shown far reaching changes in India." Support the statement with suitable arguments.

5



CBSE Board Paper 2024 - Set [32/4/1]

Which one of the following statements best describes the meaning of Globalization'? 1

- (A) Removal of tax barriers on trade
- (B) Providing higher standard of living
- (C) Process of rapid integration between countries
- (D) Taking special steps to attract foreign companies

CBSE Board Paper 2024 - Set [32/3/3]

Which one of the following is a significant aspect of globalisation? 1

- (A) Uniform Culture
- (B) Environmental Support
- (C) Support to Domestic Market
- (D) Access to New Markets



Match the following aspects of globalization with their descriptions and choose the correct option. **1**

List-I
(Global Aspect)

- I. Technological Advancement**
- II. Liberalization of Trade**
- III. Cultural Exchange**
- IV. Multinational Corporations**

List-II
(Description)

- a. Interaction of ideas, values and traditions**
- b. Companies operating in many countries**
- c. Innovation in manufacturing, communication and information**
- d. The removal of restriction on trade**

Options:

	I	II	III	IV
(A)	a	b	c	d
(B)	c	d	a	b
(C)	d	c	b	a
(D)	b	a	d	c

Choose the correct option to fill the blanks.

1

Removing barriers or restrictions on business and trade set by the government is called as

_____ .

- (a) Disinvestment
- (b) Special Economic Zones
- (c) Liberalisation
- (d) Foreign Direct Investment

Which one of the following is included in liberalization'?

1

- (A) Promoting trade barriers
- (B) Removing trade barriers
- (C) Controlling the other country through trade
- (D) Increasing import, export duty on goods



CBSE Board Paper 2024 - Set [32/1/3]

"Globalisation is the process of rapid integration or interconnection between countries." Explain the statement with examples. 5

CBSE Board Paper 2024 - Set [32/4/1]

"Foreign trade and foreign investment policies are the aspects of liberalisation and globalisation." Explain the statement with examples. 5

CBSE Board Paper 2024 - Set [32/4/1]

How have the development in information and communication technology been the major factor to enable globalisation ? Explain . 2

CBSE Board Paper 2024 - Set [32/4/1]

Improvement in technology has stimulated the globalisation process. Explain the statement with examples. 5

CBSE Board Paper 2024 - Set [32/4/1]

How is technology an important factor of globalisation? Explain with examples.

2**CBSE Board Paper 2024 - Set [32/2/2]**

"Rapid improvement in technology has been one major factor that has stimulated the globalisation process." Explain the statement with examples.

5**CBSE Board Paper 2024 - Set [32/3/3]**

"The development process of India has experienced transformation due to the significant influence of Information Technology (I.T.) and Electronic Industry." Explain the statement with examples.

3

STAY CONNECTED

KEEP LEARNING

TOGETHER
WE CAN

