

Globalisation Notes Class 12 Political Science

Book 1 Chapter 7

What is Globalization?

Globalization is the flow of people, goods, ideas, and capital from one country to another.

- Transfer of ideas from one part to another
- Movement of goods from one country to another
- Transfer of capital from one country to another
- Movement of people from one country to another

Reasons of globalization

- Rapid growth of technology
- Variation in Level of Development
- Unequal availability of resources
- Cultural diversity

Consequences of globalization

Political consequences

Positive Impact

- Governance reform
- Integration of Technology in Governance
- Qualitative increase in the functioning of the government
- Transparency
- Simplification of governance

Negative impact

- End of the welfare state
A welfare state is a state that works for the welfare of the people.
- Rise of the least interfering State
The least interfering state is said to be that state which is limited only to the governance system and does not pay much attention to the welfare of the people.
- Less government intervention in industries

Financial consequences

Positive impact

- Increase in the pace of development
- Fast reach to new technology
- High utilization of resources
- Growth in employment
- Growth in quality due to market competition

Negative impact

- Rise of MNCs (Multinational companies)
Multinational companies are companies that operate business in many countries at the same time.
- The collapse of small industries
- Uneven development
- Difficult to do business due to increased competition
- Strict visa policy of developed countries

Cultural consequences

Positive impact

- Openness of thought
- Development of mixed culture
- Improvement in the status of women
- Change in eating and living habits

Negative impact

- A great influence of American culture
- Loss of the culture of small countries
- Development of one-sided culture

India and Globalization

- India was a British colony before independence.
- In that era, raw materials were taken from India and manufactured into products in Britain and sold back in India.
- After independence, India tried to end this dependence and decided that India would produce all those things in the country that it was importing from outside.
- This arrangement lasted till about 1991 and after that India adopted a new economic policy.

India's New Economic Policy (1991)

LPG

- **Liberalization**

Liberalization means simplifying the policies of doing business i.e. Eliminating licenses and other barriers.

- **Privatization**

Privatization means by promoting the private sector, that is, giving the private sector an opportunity to develop and remove the compulsion imposed on it.

- **Globalization**

The uninterrupted flow of people, goods, capital, and ideas from one country to another is called globalization.

After adopting this policy, there was an increase in the pace of development inside India and due to the simplification of rules, businesses became bigger.

Critique of Globalization

- Globalization has been criticized all over the world
- It has two sides

Left-wing

- Leftists are people who support the poor
- Leftists say that the condition of the poor has worsened due to globalization
- The government is running away from its responsibilities
- Simultaneously poor is getting poorer and poorer and rich is getting richer and richer

Right-wing

- Right-wing people who speak in favor of the rich.
- Right-wingers say that globalization is very necessary for rapid development and to bring the condition of equal development all over the world.