

## Economic globalization in the 21<sup>st</sup> century: A case study of India

Sonia Mukherjee <sup>1,\*</sup>

<sup>1</sup>Assistant Professor, Christ (Deemed to be) University, NCR, India

### Article History

Received: 30 November 2020

Revised: 14 February 2021

Accepted: 22 February 2021

Available Online: 17 March 2021

**Keywords:** Economic Globalization, India, FDI flows, Trade volume, Integration, challenges

**JEL classification:** F60, F63, F68

**Citation:** Mukherjee, S. (2021). Economic globalization in the 21<sup>st</sup> Century: A case study of India, *Review of Socio-Economic Perspectives*, Vol 6(1), 23-33.

### Abstract

Globalization has integrated the economies of the world, especially the developing countries. With that, there has been considerable progress in economic globalization. Economic globalization, is defined as increased interconnectedness through higher trade volumes and enhanced capital flows. Factors such as better transport and communication facilities, relaxation in government policies, and advancement in technology (digitally and physically) have led to rapid economic globalization. In case of India, Multinational Corporations (MNCs) have contributed a lot towards the globalization process. The MNCs have attracted non-debt creating flows and imported technology for the benefit of the country. The liberalized government foreign trade policies have helped in increasing trade openness. In spite of the progress, numerous challenges in various forms such as lack of strong and efficient institutions, favorable redistributive and regulatory policies, domestic companies unable to compete with foreign MNCs, increase in the volume of foreign portfolio flows and MNCs adopting oligopolistic practices. Suitable policies and corrective measures can help the economy in matters of further progress in globalization.

### 1. Introduction

The term globalization began to be used more commonly in the eighties. The process reflected the following features such as technological advances and international transactions in the form of both trade and financial flows. The process extended beyond the national borders at all levels of human economic activity. Globalization is a phenomenon of incorporation and interaction among different people residing in different parts of the world. It incorporates companies, governments among people, and industries of various countries. In other words, it is a phenomenon which is motivated and fueled by the expansion of global trade, investment, and technological upgradation. The process of globalization has made a deep impact on the various elements including environment, culture, politics, economic growth, prosperity and human well-being in society's residing in the planet.

Globalization has the following characteristics:

Firstly, it involves a transformation of social affairs by connecting them together. In other words, the human activity are extended across areas the frontiers. It is seen that activities in one part of the world have a consequence for the other parts of the world, especially in remote regions. Secondly, there is a transregional interconnectedness and a broadening of networks. There is a growing scale of interconnections interactions and movements across peoples, societies and countries. Further, the speeding up of world-wide interactions and procedures is a result of the heightened growth of transport and communications. The global dissemination of ideas, goods, statistics, wealth and people's faster. Lastly, the influence of distant happenings is exaggerated. Local changes and growth can have big global significances. The frontiers between local and international affairs have widely become distorted. Lastly, Globalization involves the interplay of many factors such as markets, latest technology, skill and tech-knowhow and the Government. These are the most ancient and most unique form of human inventions.

\* E-mail: [sonia.citd@gmail.com](mailto:sonia.citd@gmail.com) & ORCID: <https://orcid.org/0000-0002-1293-1342>