



Mains Practice Question

Q. Recent incidences in global politics highlights the trend toward de-globalisation. Briefly explain the implication of de-globalisation policies on India. (250 words)

30 Oct, 2019 GS Paper 3 Economy

Approach:

- Define de-globalisation and mention the recent events which indicate de-globalisation trend.
- Explain the implications of de-globalisation policies on India.
- Conclude by mentioning the importance of cooperation among nations to global growth and development.

Introduction

- De-globalization is the process of diminishing interdependence and integration between the nations. It is characterized by a decline in economic trade and investment between countries. Recently, global events like the trade war between the United States and China and Brexit Movement in Britain highlight the trend towards de-globalisation.

Body

Emerging markets like BRICS economies are among the biggest beneficiaries of globalization. So rising protectionism would hurt these emerging economies the most.

The implications of de-globalisation policies on India are:

- **Economic impact:** De-globalization may lead to a reduction in the rate of economic growth of India.
 - Rising protectionism with reduced cooperation among countries will hurt Indian trade and exports. Rising import costs of raw materials and equipment would hurt domestic manufacturers.
 - Trade barriers are considered to distort free market dynamics and may lead to inflation negatively impacting consumer spending.
 - It may reduce employment opportunities as it will prevent the outflow of skilled people due to protectionist measures like visa regulations by advanced economies. This will even reduce inward remittances to the nation.
- **Social impact:** It will lead to a decrease in standards of living as reduced economic growth impacts government spending on the welfare of poor and vulnerable.
- **Political impact:** Unemployment and economic slowdown put pressure on governments that may lead to political instability.
- **Impact on technology:** These tendencies limit technological advancement of the world as a whole and of developing countries in particular. Limited knowledge sharing, lack of flow of technology to developing countries limit advancement in science.
- **Impact on Environmental Conservation:** Due to non-cooperation among nations, it may impact environment conservation efforts in India. It will reduce the required funding and would jeopardize efforts to conserve the environment and tackle climate change.

- **Impact on farmers:** Deglobalization may hurt agricultural exports. Indian farmers would face the double whammy of environment change and deglobalization.

Conclusion

- Therefore, de-globalisation will not only impact economic development in India but would hurt the welfare of Indian people as well.
- New regional organizations like Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), etc show the way forward for enhanced regional interconnectedness.
- India should coordinate with other emerging economies and utilize its soft power to move towards a more cohesive global structure.

PDF Reference URL: <https://www.drishtias.com/mains-practice-question/question-381/pnt>