



India and the Changing Landscape of Globalisation

For Prelims: [Globalization](#), [India and globalization](#), [FDI in India](#), [Aatmanirbhar Bharat](#), [US-China trade](#), [India-China relations](#), [Demographic dividend](#)

For Mains: [Impact of Globalisation](#), [Deglobalisation](#), [Issue of Protectionism and Globalisation](#)

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Why in News?

Recent geopolitical shifts, such as the ongoing [Russia-Ukraine war](#), [conflict in the Middle-east](#) and deteriorating political relations between [China and the West](#), have raised questions about the future of [globalisation](#) and its implications for countries like India.

- At the same time, India's **vision of [Aatmanirbhar Bharat](#)** sparks debates about balancing **self-reliance with global integration**.

Note: Globalisation is the growing interconnectedness of countries through the **exchange of goods**, services, technology, and ideas, driven by advancements in communication, transportation, and [trade liberalisation](#).

How has Globalisation Evolved Over Time?

- **The Foundations of Globalisation:**
 - **Early Trade Networks:** Trade routes like the [Silk Road](#), [Indian Ocean Trade](#), and [Trans-Saharan Trade Routes](#) connected diverse regions, enabling the exchange of goods such as silk, spices, gold, salt, and ivory.
 - **Cultural and Religious Exchange:** Trade and migration facilitated the spread of religions like [Buddhism](#), [Christianity](#), and [Islam](#), while also enabling the exchange of art, architecture, and scientific knowledge across regions.
 - **Colonialism and Industrialisation:** **European colonial expansion** and the [Industrial Revolution](#) connected distant economies through mechanized production and long-distance trade.
- **Institutionalizing Globalisation in Post-War Era:**
 - **Global Institutions and Cold War Rivalry:** Institutions like the [International Monetary Fund \(IMF\)](#), [World Bank](#), and [World Trade Organisation \(WTO\)](#), promoted global trade, while the Cold War created competing blocs like the [North Atlantic Treaty Organization \(NATO\)](#) and the [Warsaw Pact](#).
 - **Decolonisation and New Alliances:** Newly independent countries joined global trade and diplomacy, moving beyond colonial ties through efforts like the [Non-Aligned Movement \(NAM\)](#).

▪ Modern Globalisation:

- **Technology as a Catalyst:** The rise of the internet and digital communication in the late 20th century enabled instant **global connectivity**, fostering a borderless world through **e-commerce**, **social media**, and the **Internet of Things (IoT)**.
- **Emergence of MNCs:** Multinational corporations like Apple, Google, and Toyota exemplify **global supply chains**, spreading production and services across continents while driving innovation, investment, and job creation worldwide.
- **Global Financial Flows:** Economic liberalization boosted **cross-border investments** and global financial market integration, with initiatives like the **Eurozone**, **BRICS**, and **ASEAN** exemplifying regional interdependence within a global framework.
- **Globalisation Resilience:** Despite setbacks like the **2008 financial crisis** and the **Covid-19 pandemic**, global trade and communication rebounded, demonstrating the robustness of global interconnectedness.

What are the Challenges Related to Globalisation in the 21st Century?

▪ Challenges to Globalization:

- **Economic Nationalism and Protectionism:** Nationalist governments often adopt protectionist measures such as higher import duties, trade barriers, and subsidies for domestic industries, hindering global trade and investment flows.
 - For instance, **India's Atmanirbhar Bharat** has faced criticism for being inward-looking or protectionist.
- **Geopolitical Conflicts:** Tensions like the **US-China trade war**, **Russia-Ukraine conflict**, and economic sanctions disrupt global supply chains and undermine multilateral cooperation.
- **Economic Inequalities:** Disparities between **developed** and developing nations in terms of market access, technological advancements, and resource **distribution challenge** the inclusiveness of globalization.

▪ Challenges Posed by Globalization:

- **Economic Disparities:** Globalization often **benefits wealthy nations** and multinational corporations more, widening income gaps and leaving smaller economies vulnerable.
 - Companies also tend to move production to low-wage countries and countries with less stringent labour laws, raising questions about **job creation versus worker exploitation**.
- **Cultural Erosion:** The spread of global culture often risks **overshadowing local traditions** — the dominance of **Western culture** through global media and **consumerism** threatens local customs, languages, and cultural identities.
- **Environmental Impact:** Increased industrialization, global transportation, and resource exploitation driven by globalization contribute to environmental degradation and **climate change**.

What are India's Achievements in the Era of Globalisation?

- **Background:** India embraced globalization in 1991 through economic reforms triggered by a **balance of payments** crisis.
 - The reforms included **liberalization, privatization**, and opening up to foreign investments, transforming the economy from protectionism to a market-driven system.
- **Economic Contributions:**
 - **IT and Digital Revolution:** India, a global leader in Information Technology, with cities like Bengaluru and companies like Infosys and TCS, has become a **hub for digital services** catering to clients worldwide.
 - **Participation in Global Supply Chains:** India is integrating into global supply chains in sectors like **pharmaceuticals, textiles**, and automotive components, supported by initiatives like **Make in India** to boost manufacturing and attract **foreign investments**.
 - **Trade and Investment:** India has expanded trade partnerships with blocs like ASEAN, the EU, and the United States while fluctuating **Foreign Direct Investment (FDI)** inflows reflect its appeal as a global investment destination.
 - **Demographic Dividend:** With a young workforce and a vast diaspora, India significantly

contributes to the **global labour market**, particularly in **healthcare** and technology, while **diaspora remittances** bolster its global economic ties.

▪ **Political and Strategic Role:**

- **Championing Multilateralism:** India's active participation in global forums like the **United Nations (UN)**, G20, BRICS, and **Shanghai Cooperation Organisation (SCO)**, along with its G20 presidency, highlights its advocacy for developing countries and commitment to inclusive, sustainable growth.
 - India's **QUAD** participation underscores its commitment to a free and **open Indo-Pacific**.
- **Balancing Powers:** India's strategic positioning enables balanced relations with major powers like the US, Russia, and China,
- **Soft Power Diplomacy:** India leverages its cultural heritage, including yoga, Bollywood, and traditional cuisine, with initiatives like the **International Day of Yoga** enhancing its global influence and promoting its image as a peace-loving nation.
- **Security and Defence:** India's contributions to **UN peacekeeping missions** and its defence exports and collaborations with nations like **Israel** and the US underscore its significant role in **global security** and strategic affairs.

How can Nationalism and Globalisation Coexist in India's Development Strategy?

- **Promote Indigenous Products and Culture Globally:** Expand initiatives like **One District One Product** and **Vocal for Local** to export Indian handicrafts, **traditional medicines**, and local goods while leveraging **cultural diplomacy** to strengthen India's **soft power** and integrate traditional crafts into **global value chains**.
- **Lead in Renewable Energy:** Strengthen India's role in the **International Solar Alliance (ISA)** and renewable energy innovations to balance national energy security with global climate action.
- **Leverage Technology for Trade:** Integrate **blockchain, fintech, and digital tools** to modernize trade, ensuring **transparency, efficiency**, and alignment with sustainable development.
- **Diversify Global Partnerships:** Foster resilient ties with **emerging markets** to reduce reliance on a single nation for resources like critical minerals, semiconductors, and renewable energy components, promoting mutual growth.
- **Harnessing the Demographic Dividend:** India can harness its **demographic dividend** by enhancing skills, fostering entrepreneurship, and integrating into global supply chains to drive economic growth.

Conclusion

Globalisation is evolving, **demanding adaptive strategies** to address challenges like geopolitical tensions and **climate change** while seizing opportunities for **innovation and sustainability**. India, with its demographic potential, economic influence, and **leadership in global initiatives**, is **well-positioned** to drive this transformation. By **aligning self-reliance with global integration**, India can shape a **resilient, inclusive, and forward-looking global order**.

Drishti Mains Question:

Discuss the challenges and opportunities globalisation faces in the 21st century. How can India balance its self-reliance ambitions with the demands of a globalised world?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Mains:

Q1. To what extent globalisation has influenced the core of cultural diversity in India? Explain. **(2016)**

Q2. Discuss the positive and negative effects of globalization on women in India. **(2015)**

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