CHAPTER-1
INTRODUCTION

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INTRODUCTION

Globalization is a process of growing interdependence between economies. It entails the free movement of goods and services across the world in an integrated manner. However, it is not limited to just that, rather it comprises the exchange of ideas, information, culture, technological knowhow, skilled labour, and development of supply chains and markets that transcend political boundaries. Thus, globalization may be said to mean the deepening of the integration and openness between economies. There is no doubt that global interdependence and interconnectedness makes things possible, from trade to education, to investments and job opportunities, and communication between nations. It is driven by cultural, political, economic, financial, ecological, technological, and social divergence between countries and is expected to achieve the well-being of a country in all these aspects. A global economy moves faster, and major technological advancements benefit society at large.

Given the multidimensional nature of globalization, it has been defined variously in the literature and is not confined to a single discipline. Sociologists, political theorists, economists, historians, anthropologists, and journalists have dealt with the subject of globalization from varied perspectives in relation to its definition, its significance, and how it influences the world (Library of Congress). The World Health Organization (WHO) defines globalization as

> *"It is the increase in interconnectedness and interdependence of peoples and countries. It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people, and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows." (WHO Report, 2006)*

Globalization makes a country move from traditional ways of economic activities to modern ways, intertwined with advanced science and technology, particularly, information technology. The benefits of globalization cover different dimensions of an economy. It has developed economies, increased cultural exchange, changed the management of work, increased the level and nature of competition, reduced geographic distances, increased financial exchanges between companies, and provided financial aid to countries, to say the least. The effects of globalization can be felt from micro level to macro level, travelling from individual to community to institutions, and from local to regional to global levels. Globalization has transformed economies into weightless economies, ruled by information and communication technology, where economies are converted into knowledge-based economies. Globalization has changed countries to seamlessly integrated economies based on the collapsibility of distance, time, incredible lightness, expandability, virtual exchange, e-trade, and virtual money (World Economic Forum, 2019).

Trade agreements between countries are essential segments of the economy, benefitting the bilateral or multilateral trading partners. These agreements support the trading countries through reducing trade barriers, value-added taxes, subsidies, and other barriers. Globalization also means liberalizing the import protocols for foreign investments and trade, attracting global capital. Trade has tended to bring in a change in technology. New technologies encourage new entrants and increase the demand for and supply of goods and services in the global markets, as well as increasing labour skills across the countries. While the core of globalization starts with trade, companies have increasingly spread out through mergers and acquisitions, joint ventures, turnkey contracts, licensing and franchises, management contracts, and wholly owned subsidiaries. These routes of globalization continue to create potential competitors, encourage quality-based production and technological enhancements, and establish and break competitive and comparative advantages.

With this context, the current chapter provides an overview of the history of globalization and discusses various policy initiatives in India with regard to globalization. It also provides the rationale for the present study and the scheme of chapters into which the thesis is organized. Accordingly, the chapter is divided into various sections. Section I deals with the historical evolution of globalization; section II provides a gist of globalization of the Indian economy while section III provides an overview of the policies adopted in India towards globalization. Section IV discusses the rationale of the study and section V presents a brief description of each chapter of the present research work.

1.1 History of Globalization

Globalization is not a new concept. It has travelled a vast distance in period since ancient times driven by inventions and diffusion. The evolution of globalization is almost as old as humanity, although it became economically meaningful since the 19th century. In particular, the term came into prominent usage in the 1980s. Historically, the waves of globalization could be classified into Archaic Globalization, Proto Globalization, and Modern Globalization. Yet again, the current wave of globalization is characteristically different from the latter. It is driven by technological developments, and more particularly, by digital integration, blurring political boundaries and causing spillover effects to transcend geographical distances. Recent global developments, particularly those marked by many hiccups of socio-economic in nature, has moved the world from anti-globalization and slowbalization. In recent years, new bilateral and regional trade agreements are being witnessed as countries look for a selective approach to globalization with a view to gain more and reduce the ill effects. These waves of globalization are described in the sub-sections below.

1.1.1 Archaic Globalization (Ancient-1600)

The early globalization encompassed four perspectives: people, ideas, commodities, and capital. Globalization has been defined in archaic times as social globalization. The driving force of this globalization started with the Stone Age through the migration of homo sapiens around the world. Homo sapiens are our species that emerged in Africa 300,000 years ago and then dispersed from Africa to the rest of the world (Smithsonian, 2021). At first, they dispersed to Eurasia and the Middle East, and then to other parts of the world, such as Asia, Australia, North and South America, and so on. The arrival of the population brought along many changes such as climate change, natural catastrophes, and extinction of species which drove nature toward environmental destruction.

The next wave of globalization is associated with the Neolithic or the New Stone Age revolution, around 10000 years ago. With this, humans started hunting activity, thus becoming hunters and gatherers, migrating from villages to towns to cities. It was also a period when agricultural activities started as humans settled at a place. This period is, therefore, also referred to as a time of the Agricultural Revolution. Agriculture is a process of learning and invention of growing crops and raising livestock. With the advent of agricultural activities, wheat, and barley cultivation started in 10000 BC in Eurasian fertile crescents, now called Iraq. Likewise, rice and millet cultivation started in China in the Yellow River and Yangtze River regions. Cultivation of maize started in North America and that of potatoes in South-west parts of Mexico and South America, and diffused to other regions from these places. These developments in itself comprise the wave of globalization with cultivation developed in one part of the world spread to another.

Globalization also spread with land-based empires. The Han Empire in China and the Roman Empire in the Mediterranean region were connected for trade through the silk route. Silk was traded to the west and wool, gold, and silver were traded to China, connecting many other empires. Globalization thus stretched with ancient empires; the Roman Empire, the Han Empire, the Parthian Empire, and other Empires which evolved around 2500 years ago. With this, trade was no longer limited to small villages and towns. Rather with the great empires, trade gained a global scale between Asia and Europe with the network of routes popularly known as the silk route which facilitated interactions among the peoples of the East and the West, encompassing economic, political, cultural, and religious exchanges.

The globalization spread via the sea route connecting Europe to America after the voyage of Christopher Columbus in 1492, and connecting Europe and Asia after Vasco Da Gama travelled by the route in 1497. Ocean navigation with the development of naval technology brought a change in the geo politics of the world economy. The Middle Eastern countries under the leadership of Prophet Mohammed dominated the trade of spices between the Mediterranean and Indian Ocean. The period from AD 650-850 expanded the Islamic trade relation with the Mediterranean region and the Indian sub-continent. During AD 1100 the rise of Genghis Khan gave rise to land routes across Eurasia (Grinin and Korotayev, 2013; Robertson, 2013).

1.1.2 Proto Globalization (1600-1800)

The next wave of globalization started with the Age of Discovery which is also known as the Age of Scientific Revolution. It was the period marked by exchange of culture and economic relationship between Africa, Europe and Asia. Over time several parts of Africa, Asia as well as Latin America turned into colonies of the European Empire. A constant blend of customs, rituals, languages, and ideas emerged with the exchanges between natives and foreign inhabitants. The 1650s embarked on the expansion of the slave trade and the Atlantic economy. The European Empire expanded with the British East India Company, and Dutch East India Company and became dominant in the field of astronomy, mechanics, physics, shipping, and integration of societies with large geographical areas across the national and regional boundaries with a large number of nations through trade of goods and services, tourists, new-global financial systems, etc. Countries got linked through ideas whether scientific or artistic, concepts, technology, etc. Changes in trade patterns were observed with trading spread to crops like cotton, rice, tobacco, tomatoes, potatoes, sugar cane, etc. and chocolates. The Europeans put in place a plantation economy with the help of slaves. Plantations were the main reason for trade as their produce was used as raw materials for the finished products which they exported to the colonies. The rise in trade of commodities was greatly facilitated due to the slave trade.

1.1.3 Modern Globalization (1800-Present)

Globalization is a phase of the creation of global capitalism, impunity, biological exchange, and spread of pathogens with devastating effects such as the spread of diseases (Grinin and Korotayev, 2013). The period from 1800 to 1914 was the age of Britain also called Pax Britannica. Britain was the home of industrialization with a dominant power. It is attributed to the creation of modern global finance and global industries in the world economy. The international economy that existed prior to 1800 was managed by Great Britain. However, the period from 1914 to 1945 was a period of disasters that afflicted humanity starting with World War I which ended with peace agreements, the Treaty of Versailles. After World War I Europe was in such a horrendous state that it did not recover its economic vitality. The conflict with Europe was intense and remained at political and diplomatic levels. The instability led to the collapse of the economy which came to be called the Great Depression of 1929. The Nazi Party's rule under the dictatorship of Hitler led to World War II in the late 1930s, ending in 1945. It was the first industrial war with aerial bombing, machine guns, tanks, and submarines. At this time, the United States also became industrialized. It was the age of computers and the beginning of atomic and nuclear powers. The United

States was economically, financially, and technologically dominant. So, the United States opened up global trade and reduced barriers for opening of the flow of productive capital, and business environments around the world for decolonization. The United States of America, thus, emerged as the dominant power in the world and the era came to be known as the Anglo-American age. They dominated the world with the use of English as a common language for business, institutions, and science throughout the world that we know today.

Change is the driver of globalization and unexpected changes of global scale take place every time. Thus, after the Neolithic age and naval technology, followed by the Anglo-American age of industrialization, another geo-political environment emerged with a new technological age. It marked the beginning of the new wave of globalization of the 21st century, characterized by technological change and the ability to produce, use, and invent to address human needs acting as the main drivers of globalization. In the present times, economies are moving towards military technology also called the gun power age, reshaping geo-politics. From horse riding for the purpose of transportation to the mobilization of energy sources for transportation, has changed the transport technology and conventions for movement of goods, services, and people. Along with trade, it has led to an exchange of ideologies and political institutions, the spread of religions, and the evolution of cultural institutions. Since the ancient wave of globalization the world has moved with technological, geo-political, geological, and geographical advantages over disease, crops, animal husbandry, etc.

The European colonization which began in the 1500s ended after World War II, as the economy shattered. The European power was exhausted and caused the war of liberation as an outcome in many nations such as India, Indonesia, Algeria, Vietnam, etc., which convinced the nations to join the UN. The independent countries started moving toward industrialization and created their own destiny by investing in their people, education, and health after the end of the colonial era. To scale up the economy there is a need for mass education, literacy, and job skills. Governance plays a major role in the diffusion of literacy, education, investments, and job skills for a modern economy (Sachs, 2020). The early industrializing countries such as the USA, UK, Japan, Canada, Australia, etc. took the lead in development which was accompanied by the widening of the gap between rich and poor. Thus, now the economies are making an attempt to move from divergence to convergence. Divergence implies a widening gap between the rich and poor, while convergence implies a narrowing of the gap (Sachs, 2020).

The next revolution was the information revolution through the digital era of computers and smart machines inventions. The roots of the digital era can be traced to the inventions by Alan Turing, who in 1930 gave the concept of the Turing machine – the computational machine, and John Naumann gave the concept of modern computers. Modern Gordon Moore realized the need for a transistor which was then developed in 1947 for increasing the performance of computers. Mobile phones were invented by Bell Labs in 1973, which increased the subscriptions to 7.8 billion in 2017 from a few subscriptions in the 1980s. The digital revolution is speeding the technologies with inventions and diffusions of technology as well as, increasing the digital connectivity, knowledge, and skills through digital connectivity (Sachs, 2020).

After the information revolution, global governance is the new wave of globalization to achieve peace and cooperation among countries. The challenges with global governance are to make the world a global learning society and maintain peace, and settle disputes between countries. Globalization in the modern sense emerged after the Second World War. In 1944 as a growing concern of world economies, 44 countries' delegates met for the Bretton Woods Conference. The primary objective of the meeting was to reach an agreement on some arrangement of economic order and international cooperation to help recover the economies from the devastation of the wars. As a conclusion, an Article of Agreement was produced for the development of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF). The delegates recognized the need for an agency for trade, and negotiation was made to establish the International Trade Organization (ITO). Instead, the General Agreement on Tariff and Trade (GATT) was set up to eliminate protectionism and encourage free trade, to restore economic prosperity after World War II. This was the global start of the unification of economies. One of the main reasons for globalization was that trade leaders planned to reduce the cross-border barriers so as to promote trade between the countries. It was the period when some countries like Indonesia, India, countries in South America, and Sri Lanka gained independence. As a result of this, countries started to build their own economic systems. The Industrial Revolution created a significant increase in the quantity and quality of production of outputs. This increased trade and resulted in better business relations. The World Trade Organization (WTO) replaced GATT in 1995 as GATT lacked a coherent institutional structure. WTO was a more organized version of GATT, which incorporated the principle of GATT and provided a formal institutional framework. However, it favored industrial countries more and lost the confidence of developing countries.

1.1.4 New Wave of Globalization (Present)

The new wave of globalization is not limited to technological transfers and trade. Countries have moved toward digital integration. Globalization has reached the era of geo-political, and geo-economic, amidst consequential demographic changes. Geo-economics, which implies the use of the channels of global trade and investment, has become the dominant approach in the game of political power. This has led to intense levels of competition among countries but at the same time, it has also raised the pressure of protectionism. This is because increasing global integration of economies has resulted in a crisis originating at one place to snowball into a global crisis with quick transmission among closely connected economies, whether directly or indirectly. For instance, financial panic is not limited to a single economy, like the 2008 financial crisis quickly spread across the world. Likewise, stages of development of a product are also not limited to one country itself; like different components of iPhones and computers of Apple Inc. being produced or sourced from different countries, assembled in others, and then shipped through global supply chains around the world. A break in the supply chain affects all stages in the link and thereby trickles down to all countries that are part of this chain. The experience of the Covid-19 pandemic has demonstrated this impact at an amplified level. Countries, therefore, are now apprehensive of the ill effects of globalization. It can be said, globalization is not dying but it is protecting itself from the ill effects in the form of power politics.

Anti-globalization wave:

With increased globalization across the world, gradually the emerging economies have started receiving more foreign investments on account of cheaper labour and resources. There is also an increase in immigration of labour from developing countries to the US and the European countries raising new concerns and challenges for them. The cumulative effect of all these global changes have given rise to protectionist voices among the western countries. The increasing global concerns such as rising domestic unemployment, trade deficits, illegal immigrants, rise in closure of business, influx of population, unfair trade practices, cyber-attacks, security breach have resulted into adoption of protectionist policies by the governments. Protectionism has taken the form of trade wars in terms of retaliatory tariffs imposition.

The power project of China examines five key areas of capabilities: military, economic, social, technological, and international image and engagement. Along with China, Russia and the US also practice geo-economics. It is common knowledge that China has repeatedly created barriers against import of cars from Japan while depriving Japan from access to Chinese rare earth industry metals by curtailing exports to Japan. Such policies of China are a reaction to Japan's intent to claim rights over the East China Sea. Other instances of China playing geopolitics is evident in its incentives in the form of aid to African countries in return for voting with it the United Nations. Russia too is found to engage in power tactics taking advantage of their energy resources to promote their strategic objectives. For instance, in 2008, as reaction to a political dispute with European countries, Russia ceased gas supplies to some parts of Europe during the winter season. In an attempt to annex Crimea, it offered huge financial support. This regional geopolitics spread further with the US and other members of NATO rather than providing military support to Ukrainian territory of Crimea choose to import sanctions on Russia. Similar sanctions were also imposed on Iran by the US when the former proceeded with its nuclear policies. These actions by the US and their efforts to create international pressure on other countries to follow their stance have a great bearing on the global economy on account of the superiority of the dollar as the internationally acceptable currency and the dominating position of the US in the international financial system.

The 2008 global financial crisis led to an increase in unemployment in the European Union countries which increased the burden on the UK economy as the rest of the EU countries had much dependence on the UK economy during recession. Thus, immigration increased the population gradually, which created huge political and economic chaos. With these and other concerns, the UK declared exit from the European Union.

Between the three countries, the US, Canada, and Mexico, the major concerns of the US with NAFTA have been domestic unemployment, trade deficits, closure of businesses, etc. In recent years, the US lashed Mexico over illegal immigration, illegal drug trading, and other issues. It announced a 5% tariff over Mexican exports to the US. It also constructed several obstructions, known as the border wall, to discourage illegal immigration from Mexico. The regulations of NAFTA have been made relatively stringent under the regime of President Donald Trump and rechristened as USMCA.

This has led to trade wars between the US and other countries. One of the major trade wars is between the two major economies of the world, the US and China in 2019. The US held the view that China was practicing unfair trade with them and that there was a threat to its intellectual property. The US has been claiming that they are subject to unfair terms of trade with the rest of the world on account of its rising trade deficits, leading to a negative impact on its economy. As a result, it started imposing tariffs on imports of many countries, particularly, India, China, and Mexico. It adopted this stance in order to encourage the consumption of domestic products. China too imposed retaliatory tariffs on the US. The US also feared its national security breach and declared a national emergency, banning China's Huawei in 2018.

China filed a complaint over tariff imposition to the WTO in 2018, the dispute settlement body for trade. Many other countries have also followed the same practice regarding import duties. Later both the countries signed a trade deal that aimed at reducing tariffs, expanding trade purchases, renewed intellectual property deals, etc.

In the context of the rise in protectionism, the US threatened the WTO that it would take back its membership if it was not treated well in international trade. Such a stance towards multilateral trade arrangements can have a destabilizing impact on the global economy.

The imposition of import duties on metal by the US led Russia to impose a retaliatory tariff on US imports of fibre optics, road construction materials, oil and gas, metals, etc. in 2018.

Malaysia criticised India over its Kashmir issue and its citizenship amendment law which resulted in a trade dispute between the two countries. India asked its palm oil refiners and traders to stop importing palm oil from Malaysia. India is the world's major buyer of Malaysian palm oil. India also curbed the imports of petroleum, computer parts, etc. from Malaysia.

Google under the initiative Next Billion Users (NBU) which started in 2015 provided free Wi-Fi at more than 400 railway stations in India and more than 5000 in other countries including Brazil, South Africa, Mexico, Thailand, and Vietnam. But soon after the entry of Reliance Jio the tariff of internet services was reduced by 95 percent. While this has led to cheaper mobile network plans and improvement in connectivity, Google decided to shut its services in India at railway stations over the issue of cheap data being made available by Reliance Jio.

The US imposed tariffs on steel worth 25 percent and on Aluminium to the tune of 10 percent in all countries except Canada and Mexico. This affected Indian exports as well. India dragged the US to the dispute settlement body of the WTO. The US claimed that India practiced unfair trade by promoting their export through large subsidies, and special treatment to special economic zones. Also, India had increased customs duty on 28 American goods. Earlier also India was dragged by the US into a dispute over solar panels, to the WTO. In 2017-18 India had a trade surplus of USD 21.2 billion over the US. Given these circumstances, India lost its case vis-a-vis the US in the WTO dispute settlement body.

Along with the anti-globalization wave the Covid-19 pandemic underlined the vulnerability of countries on account of excessive interdependence. Questions were raised regarding the hyper-globalization leading to companies facing supply-chain breakdowns and the resultant cost increases in key inputs affecting production and profit margins. In particular, countries have realized that there is a need for a "China Plus One" strategy so that the supply sources and investment can be diversified. Several countries, such as India, the US, and the EU economies have made efforts to establish collective supply chains that are more sustainable in the long run. Several companies, particularly, multinational companies have relocated to other countries such as India, and those in South-east Asia such as Vietnam, Thailand, Malaysia and Indonesia, etc. In the future this is likely to influence the direction of globalization and have a great bearing on geo-politics. In recent years, new bilateral and regional trade agreements are being witnessed as countries look for a selective approach to globalization with a view to gain more and reduce the ill effects. There are increasing instances of south-south cooperation. Countries are increasingly realizing the need for inclusive and sustainable development.

1.2 Policy Adopted in India Toward Globalization

In ancient times India had been a frontrunner in international trade and commerce. It was the leading exporter of several commodities ranging from spices, sugar, silk, and cotton, to precious stones. In this sense, the Indian economy had been quite globalized in terms of trade, being a leading business centre of the world, with diverse trading partners which included the Arab countries, West Asia, England, and Europe. The British came to India for the purpose of trade and ended up turning India into its colony. The Industrial Revolution in the West and the British rule over India cast a dent in India's foreign trade scenario with trade being guided by the requirements of raw materials and a market for finished goods by the European countries.

About 200 years of rule by the East India Company, and subsequently, by the British Government, destroyed India's industry, trade, and commerce. During this period, international events like World War I and II and the Great Depression also cast a shadow over global trade. After attaining independence in 1947 and with the beginning of the planning period in 1950, India embarked upon economic planning with the aim of re-establishing the economy. The Planning Commission, equipped with the tool of five-year plans, focused on key areas, beginning with the agriculture sector and then the heavy and basic industries, with a primary focus on self-reliance. With multiple factors such as the occurrence of natural calamities, wars, oil shocks, inward-looking policies of import substitution, etc., the Indian economy could not achieve the desired levels of growth and development. By the end of the sixth five-year plan, in the mid-1980s, India's balance of payments situation worsened, with a steep fall in the foreign exchange reserves, high rates of inflation, budgetary deficits, and mounting debt.

With the built-up of adverse situations in the domestic economy and poor performance on the external front, from the mid-1980s, India embarked upon a gradual phase of liberalization with the introduction of policy changes with regard to industrial licensing, foreign trade, and equity capital investment, exchange controls and restrictions, etc. With the absence of desired results and the compulsions arising out of the balance of payments crisis in 1990-91, the government adopted the policy of liberalization, globalization, and privatization as per the conditions of the structural adjustment programme laid down by the World Bank and the IMF in exchange for their financial assistance. The economic policies were drafted by Dr. Manmohan Singh, the then Finance Minister, and came to be known as the New Economic Policy.

The New Economic Policy envisaged reforms in the Industrial Policy by abolishing the '*license raj*', removing the barriers to entry, and the limits of growth for firms. These policy changes for the domestic economy were twinned with external sector reforms like dismantling of the import licensing system, reduction in customs duties, concessional duties on capital goods imports, promotion of exports through appropriate incentives, etc. The EXIM policy abolished various protectionist and regulatory policies. The government of India set up Special Economic Zones (SEZs), converted Export Processing Zones (EPZs) to SEZs, and implemented anti-dumping policies to accelerate the growth of the economy. The Advanced Authorization Scheme (AAS), and Duty Drawback Scheme (DDS) allowed reimbursement of custom and excise duties on unused imported goods. The EPCG scheme allowed the import of capital goods at concessional duties.

The government of India has introduced several policy measures to encourage investment in India both by domestic and foreign firms. These include lowering of tax burden on corporates, allowing NBFCs and banks easy access to liquidity, fostering a climate conducive for business, liberalizing the FDI policies, reducing compliance burden, etc. The government has also assisted domestic producers by guaranteeing purchase and has introduced Production Linked Incentives (PLI) for 13 to 14 sectors so far. As a result of these multiple efforts, India recorded the highest FDI inflows in the financial year 2020-

21. India attracted major contributions to investment from Singapore, Mauritius, the USA, the Netherlands, and Japan. These inflows were attracted toward sectors such as Computer Software and Hardware, Service, Trading, Telecommunications, and Construction.

To facilitate investment, and make India a hub for manufacturing, innovation, and design, the government of India launched the Make in India initiative in 2014. It was the first 'Vocal for Local' initiative which gave India's manufacturing sector domain an exposure to the world. The Government started the campaign of *Atmanirbhar* Bharat (Self-reliant India) in May 2020 with a vision to make India self-reliant. As part of the campaign, the Production Linked Incentive (PLI) scheme was launched and it has proved effective in improving India's manufacturing capabilities and exports. The PLI scheme includes 13 key sectors, and inclusion of more sectors is in the offing. The schemes have been specially designed to attract investments, creating employability, efficiency and bringing economies of size, and expanding technology and innovation.

Apart from policy initiatives and various programmes that have been launched, India has also entered into various Regional Trade Agreements (RTAs). India collaborated through RTAs with major South Asian countries as a part of the Neighbourhood First policy to strengthen the relations. As part of the RTA, a number of Memorandums of Understanding (MoU) were signed between the member countries, such as the Kaladan Multi-modular Transit Transport Project (1991), the India-Myanmar-Thailand Trilateral Highway Project, Rhytidid Road Project, Border Hats, and so forth. Apart from ASEAN, India has entered into trade arrangements under RTAs such as ASEAN Regional Forum (ARF) and East Asia Summit (EAS), BIMSTEC, Asia Cooperation Dialog (ACD), Mekong Ganga Cooperation (MGC) and Indian Ocean Rim Association (IORA). In recent years India has turned its focus on strengthening trade arrangements with various countries such India-EU FTA, India-UK FTA, and India-UAE CEPA.

Recently, innovative ideas have been envisaged and launched to promote foreign investment and exports. In 2018, the Government of India undertook a transformational initiative to foster balanced regional development by linking it with the external sector. The One District One Product (ODOP) initiative was launched with the aim to produce one unique product in each district for the purpose of exporting. The initiative has been successful with 106 products from 103 districts being included under it. The ODOP scheme has witnessed sizable success in terms of exports. The government has also been making efforts to encourage domestic as well as foreign investment in India. The Investment Clearance Cell (ICC), for instance, was set up in 2020-21 to provide end-to-end facilitation and support to investors, along with a speedy dispute settlement mechanism.

1.3 Rationale of the Study

Three decades of initiatives taken by the government of India and other regulatory authorities have crafted the present state of the Indian economy. India's economic parameters, including those related to globalization, have grown in size and depth. Looking at the vast array of policy initiatives related to the external sector, it is clear that globalization can be better understood and analyzed not as a single homogeneous phenomenon but as a composite one, with several dimensions to it. These dimensions include, economic, financial, political, technological, and social. In the related literature on India so far, most studies on globalization are sectoral studies that analyze the impact of foreign investment on the performance of the sector. These include studies like, Gordon and Gupta (2004), Banga (2005), Verma (2008), Dehejia and Panagariya (2010), Gupta (2011),Mukherjee (2013), Goldar (2014), and Nyamekye and Gabriel (2016). Some other studies have undertaken an examination of the impact of globalization on the economic growth of India by incorporating select and limited indicators of globalization like trade ratio, FDI ratio, etc. No study is found in the context of India which has undertaken an in-depth study of the various dimensions of globalization and that too at the macro economy level. No research work has been found that has carried out the construction of an index of globalization exclusively for India for a longer period of time. Those studies that do include the globalization index for India are the ones that are part of country comparison studies limited to a few years. More than 30 years have passed since the introduction of economic reforms including globalization.

With this premise, it is worth examining the nature and extent of globalization in India, encompassing various dimensions. The present study, is therefore, an attempt to examine globalization in India in its entirety, covering five dimensions, namely, economic, financial, political, technological, and social. These dimensions will be analyzed using a wide range of depth and breadth indicators. The present research work also seeks to construct dimensional indices of globalization which is not found in the literature so far. The study also undertakes the construction of the composite index of overall globalization to get the picture in its entirety. Further, the inter-connectedness of the dimensions also forms an important area of inquiry. Examination of the association between various dimensions of globalization would throw light on the aspects that can be focused upon to enhance the beneficial effects of global integration.

The present study goes further on to examine the causality between economic growth and globalization. On the basis of the findings, it incorporates select indicators, individual dimensional indices, and multi-dimensional index of globalization as arguments in economic growth models for India in order to examine their impact. The contribution of the present study lies in the fact that not only an in-depth study of the multi-faceted concept of globalization has been carried out, but it also uses the findings in examining their impact on the economic growth of the country. Further, the impact of globalization has also been examined on the socio-economic development of India. The present study is thus, an extensive as well as intensive examination of globalization for a developing country, India.

1.4 Organization of the Research

The present study is organized into six chapters as shown below:

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Objectives and Research Methodology

Chapter 4: Analysis of Extent and Depth Globalization in India

Chapter 5: Econometric Analysis of the Impact of Globalization on the Indian Economy

Chapter 6: Conclusion and Recommendations

Chapter 1: The introductory chapter of the thesis provides an overview of the history of globalization in the world, how it has evolved, and its present state. The chapter also provides a summary of the approach of India towards globalization from ancient to the present times. It provides the background for the rapid globalization that has been witnessed in India in the past decades. The chapter also outlines the policies and reforms undertaken with reference to globalization such as the FDI policy, policies related to tariffs, and trade agreements. These policies have implications for the nature and extent of globalization of the economy. The chapter also discusses the significance of the study and the organization of the thesis.

Chapter 2: The second chapter details the extensive review of literature in the area of globalization. The review has been organized into five sections. The first section reviews the studies on globalization and its dimensions. Section two covers studies on the linkages between globalization and economic growth while section three relates to studies in the area of socio-economic development and globalization. Section four is dedicated to globalization studies in the context of India. The final section of the chapter reviews studies related to anti-globalization.

Chapter 3: Chapter three lays down the objectives and hypotheses of the study in light of the extensive review of the literature and the research gap therein. The section on research methodology lays down a detailed description of the variables, tools, and techniques used for analyses. It describes alternative econometric models built to examine the impact of globalization on economic growth, equality, and human development in the context of the Indian economy.

Chapter 4: Chapter four contains a detailed analysis of the extent and depth of globalization based on an examination of the trends in various indicators of globalization. The indicators are classified under alternative dimensions of globalization, based on which dimensional indices of globalization have also been constructed. The chapter is organized in terms of four broad sections. The first section shows the trends in all variables representing globalization with graphical presentations and their compound annual growth rates (CAGR). Section two shows the computation of dimensional indices of economic, financial, political, technological, and social globalization based on the use of the technique of Principal Component Analysis (PCA). Section three covers the construction of the composite index of globalization. The next section presents the findings on the interconnections between various dimensions of globalization.

Chapter 5: Chapter five examines the impact of globalization on the Indian economy in terms of its effect on economic growth, and socio-economic development. Accordingly, the chapter is organized into three broad sections. The first section undertakes the Granger causality test between globalization and economic growth using individual indicators and dimensional indices of globalization. Further, a detailed analysis has been undertaken to gauge the effect of globalization on economic growth using the Ordinary Least Square (OLS) technique. This is done by examining alternative models incorporating individual indicators and dimensional and composite indices of globalization. The next section analyses the impact of globalization has also been studied on the socio-economic development of India using the Auto Regressive Distributive Lag (ARDL) technique. Finally, Text Network analyses has been carried out to identify prominent traces of anti-globalization across the world.

Chapter 6: Chapter six summarizes the findings of the analytical work carried out in chapters four and five. It presents policy recommendations based on the implications of the findings. The chapter concludes with a note on the scope for future research that emerges from the analysis.