between globalization and geopolitics, and anti-globalization and its issues. The analysis concludes with the discussion on the ripple effects of globalization, ranging from population effects, inequalities, and social unrest to financial and exchange rate crises, pandemics, cyber-attacks, and environmental and cultural impacts.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

It has been thirty years since India moved towards structural reforms by introducing Liberalization, Privatization, and Globalization (LPG) as a remedy to internal and external instability. India has since then integrated itself with the world economies. The Indian economy underwent several economic reforms and adopted structural adjustment programmes. A systematic move towards globalization started in the 1990s as advised by the then Finance Minister of India, Dr. Manmohan. The LPG Policy is known as the New Economic Policy. The Industrial Policy of 1991 made major changes by gradually removing the licensing system, liberalizing the barriers to entry, and freeing the limits of expansion for existing firms.

With reforms the import licensing system was dismantled, custom duties were reduced, and export promotion policies were adopted. The impact of this was seen in the improved trade proportion to GDP from 4.46 to 55.32 over the study period. The Export Promotion Capital Goods (EPCG) scheme allowed the import of capital goods at concessional duty. The Export and Import EXIM policy abolished different protectionist and regulatory policies. The government of India introduced a Special Economic Zone (SEZ), converting Export Processing Zones (EPZs) to SEZs and anti-dumping policies to accelerate the economy. The Advanced Authorization Scheme (AAS), and Duty Drawback Scheme (DDS) allowed duty free imports and reimbursement of customs and excise duty.

The government of India has taken various steps to encourage investments in India both by domestic and foreign firms. These include reduction in tax burden on corporates, allowing easy access to liquidity from NBFCs and Banks, fostering a climate conducive for business, liberalizing the FDI Policy, reducing Compliance Burden, etc. Initiatives have also been taken to boost domestic manufacturing through Phased Manufacturing Programme (PMP), and Schemes for Production Linked Incentives (PLI). The government of India has also taken policy schemes to facilitate investments such as Industrial Park Rating System (IPRS), National Single Window System (NSWS), National Infrastructure Pipeline (NIP), etc, have also been put in place. As a result, India recorded a massive increase in FDI inflows from as low as Rs. 172 Crores in the year 1990-91 to Rs. 406765 Crores in 2020-21.

With regard to these developments, an in-depth examination of the nature of globalization is needed. Over time globalization has evolved dynamically, however, the existing literature is broadly limited to economic or financial globalization. There are many more dimensions that need attention. The neglect of these dimensions would narrow the scope of policy implications and developments. The present study gauges the degree of globalization in India in all its dimensions.

This chapter presents the conclusion and findings derived from the analysis carried out in the previous chapters. The present chapter is organized into seven sections. The first section highlights the findings related to the five dimensions of globalization. The second section presents the findings related to the construction of dimensional indices. The third section presents the findings on the composite globalization index. The fourth section presents the interlinkages between the dimensions of globalization. The fifth section highlights the empirical analysis of the impact of globalization on economic growth in India. The sixth section presents an analysis of the impact of globalization on socio-economic development of India. Lastly, conclusion, recommendations, and future scope of the study has been presented.

6.1 ANALYSIS OF TREND AND GROWTH IN INDICATORS OF GLOBALIZATION

The analysis of globalization is gauged through the performance of the indicators of various dimensions of globalization. Each dimension of globalization has been examined using multiple indicators. The findings related to this are presented below:

6.1.1 Economic Globalization

Trade in Goods to GDP, Imports of Goods to GDP, and Exports of Goods to GDP

The openness measure– merchandise trade as a proportion of GDP has increased at a compound annual growth rate (CAGR) of 8.4 percent over the study period. The exports of goods to GDP has increased from 1.73 percent in 1991 to 15.98 percent in 2020. From nearly the same base, the import deepening of trade in goods increased much more to 21.58 percent in the year 2020. This is borne out from the fact that exports of goods have increased by a CAGR of 7.96 percent while imports of goods increased by a CAGR of 8.78 percent. This has led to India's merchandise trade balance to be in negative. Although with the increase in globalization there is a surge in the negative merchandise trade balance, the trade in goods to GDP ratio in the case of India has increased.

Trade in Services to GDP, Imports of Services to GDP, and Exports of Services to GDP

The service sector is a key driver of India's economic growth, which is in surplus in India's Balance of Payments (BOP). The ratio of exports of services to GDP has exhibited growth at a CAGR of 11.43 percent with the ratio increasing from 0.49 percent of GDP in 1991 to 11.31 percent in 2020. The ratio of imports of services to GDP has increased with a CAGR of 10.45 percent. The total change in trade in services to GDP was from 0.85 percent in 1991 to 17.76 percent in 2020, and the CAGR of trade in services is found to be 11.05 percent for the study period. India's service sector is in surplus, with economic globalization not only is India's service sector in surplus, it has shown an improvement over the study period. The ratio of trade in services to GDP has also increased.

Import Duties to Imports

The ratio is found to have reduced at a negative CAGR of 4.89 percent. The proportion of import duties was 13.02 percent of total imports in the year 1991, which has reduced to as low as 3.36 percent by the year 2020. The reduction in import duties has resulted in an increase in the level of imports from Rs. 45,851 crores in 1991 to Rs.29,15,958 crores in 2020, a surge of nearly 63 times over the 30-year period. Over the study period there has been a reduction in the ratio of import duties to imports, which reflects remarkable openness of the economy enabling the increase in the trade channel of the country.

Import Penetration

Over the study period import penetration in domestic demand has increased from 6.68 percent in the year 1991 to 21.19 percent in 2020. This amounts to a CAGR of 4.46 percent.

A rise in import penetration implies that the increase in demand for goods and services is met by the foreign sector rather than by the domestic producers. The increase in the import penetration indicates greater economic globalization in terms of openness. The increase in the ratio hints at reducing import barriers and improving competitive structure in the domestic economy.

Revealed Comparative Advantage of Services

The data for India over the study period shows that the revealed comparative advantage of India in the export of services vis-à-vis the world has deepened from 41.44 percent in the year 1991 to more than twice in the year 2020, at 91.55 percent. The ratio has grown at a CARG of 2.77 over the study period. Thus, Indian export of services is robust which is also substantiated by its growth from Rs.0.12 trillion to Rs.1.5 trillion over the study period, a jump of 11.5 times. During the same period, 1991 to 2020, the world export in services grew substantially from Rs.48327.16 trillion to Rs.1027326.41 trillion, that is, a 20-fold increase. Though world exports in services have grown much more than those of India, the measure of RCA goes a step further by indicating the nature of deepening of globalization in India, vis-à-vis the world, and the data reveals a greater deepening of the services exports in India compared to that of the world.

India's Trade to World Trade

While the ratio has remained somewhat flat over the study period, it was relatively higher at 0.15 and 0.18 percent between the years 2005-06 and 2011-12, only to decline thereafter. For the same period, the CAGR was nearly two percent. For the overall period though the CAGR was negative at (-)0.27 percent. This may partly be attributed to India's domestic pre-occupation, failure to appreciate the full potent of trade policy, and inadequate development of the manufacturing sector, among other things (Puri, 2017). It also suggests that there is vast scope for a large country like India to increase its presence on the global trade with the increase in globalization. Much effort is also required to improve the benefits from its regional and bi-lateral trade agreements.

6.1.2 Financial Globalization

FDI to GDP

The FDI to GDP ratio has increased from less than one percent of the GDP in the year 1991 to 2.40 percent in the year 2021. Though in percentage terms FDI appears to be miniscule, it has registered a robust CAGR of 20.06 percent. For most sectors of the economy, limits to FDI up to 100 percent were allowed around the year 2000. Agriculture, Animal Husbandry, Auto Components, Asset Reconstruction Companies, Single Brand Product Retailing, Pharma Sector, Railway Infrastructure, and E-commerce activities have the permission of 100 percent FDI through automatic route since the year 2000 (Budget, 2000).

The ratio of FDI to GDP shows a clear upward trend from the year 2005-06 onwards which is substantiated by the sharp upward trend in FDI flows from the same year. From Rs.13425 crores in the year 2005-06, FDI flows increased 24 times in 15 years to reach the level of Rs.325382 crores in 2020-21. It is noteworthy that the degree of financial globalization has increased in terms of capital flows.

FII to GDP

FII to GDP has shown a fluctuation and despite fluctuations in inward FII in India, over the long run time horizon their flows have been positive. From around 0.40 percent of the GDP at the beginning of the study period, it has surged to 1.97 percent of GDP in the year 2020-21, growing at a CAGR of 5.46 percent. However, given the nature of FII flows, it can be observed that there is a greater degree of fluctuation in it compared to the FDI ratio. The fluctuations are particularly pronounced during the time period consistent with the global financial crisis, the *taper tantrum* post-2013 in reaction to the proposed monetary tightening by the US central bank, and the recessionary phase in the Western world. However, globalization in terms of FII to GDP has also shown an increasing trend in the overall sense.

FDI+FII to GDP

From a low of 0.01 percent of GDP, the total foreign capital flows (FII+FDI) to GDP ratio increased to 4.38 percent in the year 2021. In other words, it registered a robust four-fold increase in financial globalization. Over the study period, foreign capital flows to GDP have increased at a CAGR of 22.47 percent. It can also be observed that the total foreign capital ratio shows relatively moderate fluctuations compared to the ratio of FII to GDP on account of the robust growth of reliable FDI flows and the total capital flow in India has increased with greater openness to foreign capital.

FDI Inflows to GFCF

FDI inflows to GFCF has increased at a robust rate of 21.22 percent on a compound annual basis over the period 1991 to 2021. From as low as 0.03 percent in the year 1991, the FDI/GFCF percentage stood at 321 times higher in the year 2021 which is a remarkable growth in India. Financial globalization has increased the relative size of inward foreign capital formation vis-à-vis domestic capital formation.

Foreign Exchange Reserves to Imports

The foreign exchange reserves to imports ratio has increased from 26.43 percent in the year 1990-91 to 100 percent in the year 2020-21, the latter implying that for the given year, the accumulated reserves can pay for the import bill of the entire year. The peak of 100 percent coverage is observed in the years 2003-04, 2007-08, 2019-20, and 2020-21, although post the global financial crises, there was a gradual decline in the ratio to nearly 50 percent, precisely, 52 percent. Of the 31-year observations, for 28 years, the ratio has been above 50 percent, and above 60 percent for 23 out of 31 years, which shows a comfortable position for the country. Over the period of examination, the ratio has grown at a CAGR of more than three percent.

It is also noteworthy that this improvement in import coverage has come about even as imports have increased substantially from Rs.43198 crores to Rs.4223878 crores over the study period, that is, close to 100 times. It may be noted that the foreign exchange reserves have grown much faster from Rs.11416 crores to Rs.4218953 crores in the study period, amounting to an increase of more than 368 times. The robustness of this growth needs to be appreciated in the backdrop of the critical balance of payments situation that built up in the 1980s – culminating in the 1991 economic crises – that left India with foreign exchange reserves to support only three weeks of import payments. In contrast, currently, India has enough foreign exchange reserves to support more than a year's imports. This provides critical support in times of extreme global uncertainties. Interestingly, the increasing effects of globalization has surged the imports of India, and have been much higher than the reserves of foreign exchange from 2008 to 2018, thus reducing the cushion of foreign exchange reserves. However, for the entire study period there is an upward trend in the ratio.

External Debt to GDP

Increased globalization has increased the ratio of external debt to GDP nearly five times from 6.48 percent the year 1990 to 30.8 percent in the year 2020-21. On a compound annual basis, India's external debt to GDP has increased at the rate of 5.33 percent. Interestingly, if the study period is divided into equal half, the first part comprising 1990-91 to 2005-06 and the second part comprising 2005-06 to 2020-21, the trend in the external debt ratio reveals a noteworthy movement. In the first half of the period, the ratio of external debt exhibited a flat trend, hovering around ten percent, and growing at a CAGR of 3.26 percent. However, in the second half of the period, there is a consistent upward trend from 10.49 percent to 30.8 percent, clocking a CAGR of 7.44 percent which is more than double the rate of growth in the first half.

6.1.3 Political Globalization

Participation in Trade Agreements

Over the years, India has entered into trade agreements with several countries. Some of these agreements are bilateral, such as, Chile-India, India-Afghanistan, India-Bhutan, India-Japan Comprehensive Economic Partnership Agreement (CEPA), India-Malaysia, India-Mauritius CEPA, India-Nepal, India-Sri Lanka, India-Thailand CECA, India-Singapore CECA, India-Australia CECA, India-Canada CEPA, India-South Korea CEPA, India-New Zealand, India-Gulf Cooperation Council (GCC), India-Israel, and India-Eurasian Economic Union (EAEU). Some other trade agreements have been with groups of countries that have integrated into some or the other forms of regional economic integrations. These include agreements like the Association of South East Asian Nation (ASEAN)-India, Asian Pacific Trade Agreement (APTA), BRICS, South Asian Free Trade

Agreement (SAFTA), South Asian Preferential Trade Agreement (SAPTA), South Asian Association for Regional Cooperation (SAARC), Southern Common Market (MERCOSUR)-India, and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). These agreements with trading blocs give India access to all member countries of the bloc, thereby increasing the scale of political globalization.

It can be seen that the number of trade agreements has increased during the second half of the study period, that is, from 2005-06 onwards. It is expected that such an increase in trade agreements resulting from good political relationships would be reflected in an increased proportion of trade with trade agreement countries. The total trade agreements in India have increased from 2 in the year 1990-91 to 25 in the year 2020-21. This shows that globalization has helped the Indian economy to integrate globally. Recently, a proposal has been made for more countries to join BRICS, which include Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (UAE). The expansion of BRICS would make it a larger trade bloc than ASEAN (10 members), and Shanghai Cooperation Organization (9 members). Australia-India ECTA, and UK-India FTA are the new trade agreements in which India joined as a trading partner in 2023.

Trade with Trade-Agreement Countries to India’s Total Trade

India’s trade with trade agreement countries has fared well with reference to the total trade of India. During the study period there has been an increase in India’s number of trade agreements from merely two in the years 1990-92 to 25 in the years 2015-21. It can be observed that till the period 1990-2005, the first 15 years of the study period, India’s trade with trade agreement countries was less than four percent of the total trade of India. This is substantiated by the lower number of trade agreements of India with other countries. The volume of trade with trade agreement countries increased from Rs.1192.9 crores in the year 1990-91 to Rs.938188 crores in 2020-21, growing at a CAGR of 24.88 percent.

In the second half of the study period, that is, 2005-06 onwards, there was a steep increase in the trade proportion with trade agreement partners. From as low as seven percent, it peaked in the year 2018-19 at a nearly five-fold higher proportion than in 2005-06. The spike in the trade agreements can be seen from 2003-04 with 11 agreements which can be attributed to have led to a higher volume of trade in the subsequent years. For instance, the trade agreement of India-Thailand Comprehensive Economic Cooperation Agreement (CECA) in 2003-04 increased the trade by Rs.10124 crores in 2005-06 from Rs.6620 crores in 2003-04; the joining of Myanmar as a partner in BIMSTEC in the year 2005-06 increased the total trade by Rs.32396 crores from Rs.22684 crores. Myanmar itself contributed Rs.2818 crores in 2005-06 which led to an increase in the contribution of BIMSTEC. India-South Korea CEPA, India-Singapore CEPA, and India-Indonesia CECA increased the trade in 2005-06 by Rs.28295 crores, Rs.38868 crores, and Rs.19428 crores, respectively, with the start of the bilateral trade agreement between the all the three countries in 2005-06. Globalization has increased the global ties of India with most of world economies in terms of the increasing number of trade agreements. As a result, the volume of the trade also increased.

India's Membership in Foreign Organizations

Global and regional issues of concern for countries are represented at the global level, and in this regard, membership in international organizations helps a country to participate in the decision-making process, put forth their concerns, and address those issues more effectively. These institutions play important roles by providing funding and technical support, and impart knowledge of good governance, and create global goods to overcome these barriers. India's membership in foreign organizations has doubled to 62 by the year 2020-21 from exactly half the number, at 31 in 1990-91. In the globalized world India's membership in foreign organizations has increased and these include membership at international financial institutions, sector-specific organizations, and organizations related to culture, health, and knowledge domains.

India's Membership in Peace-Making Agreement

The number of India's peace-making agreements in the United Nations (UN) has increased from 17 to 30 over the study period. The Border Defence Cooperation Agreement between India and China, Agreement on the Working Mechanism for Consultation and Coordination on India-China Border Affairs, Agreement between India and China on

Confidence-Building Measures in the Military Field along the LAC in the India-China Border Areas, and the Protocol between India and China on Modalities for the Implementation of the same, Agreement on the Maintenance of Peace and Tranquillity along the LAC in India-China Border, the Lahore Declaration, Joint Statement between the Governments of India and Pakistan, MoU between the Governments of India and Pakistan, Indo-Lanka Accord, etc., are some of the peace-making agreements where India is involved. Agreements of India are between China, Pakistan and Sri Lanka over the border issues. The increase in peace treaties involving India tends to increase trade interdependence, and reduce the inter-state political conflicts in the globalized world.

6.1.4 Technological Globalization

Mobile Subscription to Total Population

The mobile subscription was close to nil in the first five years of the study period. Even for the entire first decade, ending 2000, mobile phone subscription per 100 persons was merely 0.33. It may be borne in mind that it was the initial time when mobile phones were first introduced in India, and incoming calls too were charged at high rates, let alone outgoing call charges. It is only in the year 2002, that registers at least one person per 100 persons as owning a mobile phone. Around the second decade of the study period, more specifically the period from 2002 to 2011, marks the years from one person per 100 persons owning a mobile to the interim peak number of 71 per 100 persons in the year 2011. It scores 70 times increase in a ten-year time period registering a CAGR of more than 60 percent over the decade. In the third and last decade of the study period, spanning 2011 to 2020, mobile penetration increased from 71.49 to 83.60, after peaking at 87.32 in the year 2017. Over the study period the remarkable growth in mobile penetration indicates substantial improvement in technological globalization in India.

R&D Expenditure to GDP

The ratio of R&D expenditure to GDP has improved since 1991 from 0.21 percent to 0.65 percent in 2018. A sudden surge was seen in 2010 by 75 percent. Global technical knowledge can be built through investment in education, human capital, domestic research and development, and the increase of intellectual property rights. The increased globalization in terms of R&D expenditure in India is expected to spillover into increasing capacity to produce a greater volume of industrial outputs.

Patent Applications by Non-Residents as a Percentage of Total Population

The ratio of number of patent applications by non-residents as a percentage of total population has increased from 0.00026 in 1991 to 0.0055 in 2020, registering a robust CAGR of 31.46 percent. Increase in the technological globalization indicator is of great significance as innovation and technological development are important for economic growth of a country. While in the first decade of the study period, the ratio of patent applications has been negligible, from 2003 onwards there has been a rapid increase in the same. Increased globalization as reflected in the rising number of patent applications in India indicates that more and more foreign companies are bringing in advanced technologies, with or without alliances.

Global Commodities as a Percentage of the Population

opened in India from 1995 onwards, and its pace was much slower as a proportion of the total population. The increase in the number of outlets started from 1999 onwards, spreading to smaller cities over the years. Over a roughly 20-year period, the number of outlets of McDonalds increased more than ten times. The ratio of global commodities as a percentage of the population has also shown an increase in the study period. Globalization has increased the scope of opening more outlets outside of the parent countries to India for other major global brands also, such as Kentucky Fried Chicken (KFC), Apple, Samsung, Starbucks, Prada, Rado, Gucci, etc.

6.1.5 Social Globalization

Ratio of Remittances Inflows to GDP

The inflow of remittances in India increased from Rs.4595 crores in 1990 to Rs.646656 crores in 2021. The inflow of remittances to GDP ratio in India increased at the CAGR of 11.55 percent over the study period 1990 to 2021. The economic reforms introduced in India in 1991 have resulted in an increase in the GDP over the study period. While migration from India has been witnessed long before reforms were introduced, the opening up of the economy has led to greater migration as relaxation of exchange controls have facilitated Indians to go abroad, deepening and widening social globalization. Thus, the remittances inflows in the country have also increased with the increase in the migration. While the remittances ratio exhibits an upward trend, it declined between 2013 and 2016 which may be attributed to the decline in crude oil prices and shrink in economic growth of Gulf Cooperation Council (GCC) countries which in turn led to unemployment in the Gulf region. The ratio of remittances inflows to GDP has increased significantly indicating improvement in social globalization.

Ratio of Foreign Exchange Earnings from Tourists to Foreign Exchange Reserves

The foreign exchange earnings from tourism are found to be very low in the entire study period, although they have grown from Rs.4318 crores in the year 1990-91 to Rs.50136 in 2019-20. This amounts to a ten-fold increase or a CAGR of 8.8 percent over the 30-year period. However, as a social globalization measure when taken as a ratio to foreign exchange reserves, it shows a decline. This is because the foreign exchange reserves have increased a whopping 196 times from 1991 to 2020. But, the ratio of the two showed a decline with a (-)9.32 percent on a compound annual basis. The steep fall in the ratio is seen from 1991 to 2002 which recorded a negative CAGR of (-)14.89 percent. However, from 2002-03 onwards there is a mild upward trend, although fluctuating within a small range. In terms of CAGR it comes to (-)5.73 percent from 2002 to 2020. Over the study period, the contribution of foreign exchange earnings from tourism has increased, and globalization has increased the scope for improving tourist activity in India.

Ratio of Inbound and Outbound Tourists to Total Population

It is found that the inbound and outbound of tourist to total population has surged from 1991 to 2019, with a CAGR of 7.33 percent, excluding the year 2020 which is an outlier. In the year 2020, there was a drastic fall in tourism due to the outbreak of Covid-19 which started from China in November 2019. Globalization has increased the ratio of tourist flow over the study period.

Ratio of Students Going to Abroad to Enrolment in HSC

The number of students going abroad from India has increased 39.42 times from 6466 in 1991 to 261406 in 2020. The number of students going abroad was highest in the year 2019 with 461792 students going abroad. This creates opportunities to learn new skills, learn different cultures and increase the country' remittances inflows. There was a decline in the number of students going abroad with 261406 in 2020 compared to 461792 students in 2019 due to the outbreak of Covid-19 in November 2019. On account of the decline in the last year of the study period, the CAGR in the variable falls from 10.93 percent to 7.8 percent when the year 2020 is included in the calculation. On account of social globalization, more Indian students are going abroad for the prospect of skill enhancement, quality education, and better jobs.

Ratio of Work Permits Abroad to the Total Population

The number of people working abroad has increased from 1,43,565 in 1990 to 3,68,048 in 2019. On account of this, the ratio of work permits abroad to the total population has changed from 1990-2019 with a 1.40 percent CAGR. It may be said that there has been a mild increase in social globalization when measured in terms of the said ratio. However, it has been marked by fluctuations over the entire period which can be attributed to factors like changes in the definition of skilled worker, changing rules of immigration, Gulf job crises, and higher population of India. Despite the fall in the ratio of work permits abroad, the number of people working abroad has increased by 2.56 times over the study period, which can be taken as an improvement in social globalization.

Ratio of Students Coming to India to Enrolment in Higher Education

The findings in this regard reveal that the number of students coming to India has increased from 12899 in 1991 to 20561 in 2020, a growth of nearly 60 percent over the 30-year period However, in terms of the ratio to enrolment in higher education in India, as a measure of social globalization, there is decline from 0.24 to 0.05. The fall can be attributed to the increase in the enrolment in higher education in India which forms the base of the ratio. Over the 30-year period, students' enrolment in higher education in various bachelors and master's programmes in India has increased nearly seven-fold from 52.66 lakhs in 1991 to

413.8 lakhs in 2020. In general, it may be said that social globalization has improved in India.

Summary of Trends in Globalization Indicators in India

Table 6.1 presents the summary matrix of trends in globalization indicators across the five dimensions, depicted by different colour codes. Out of the ten indicators of economic globalization nine show a strong upward trend. All indicators of financial globalization exhibit a favorable trend, although some have a fluctuating pattern. All indicators of political and technological dimensions have contributed favorably to globalization. The social dimension of globalization shows mixed results with an equal number of favorable and unfavorable indicators.

Table 6.1: Matrix of Trend of Indicators of Globalization

Indicators/ Dimensions	Economic Globalization	Financial Globalization	Political Globalization	Technological Globalization	Social Globalization
Exports of Goods to GDP		-	-	-	-
Imports of Goods to GDP		-	-	-	-
Trade in Goods to GDP		-	-	-	-
Exports of Services to GDP		-	-	-	-
Imports of Services to GDP		-	-	-	-
Trade in Services to GDP		-	-	-	-
Custom and Other Import Duties to Imports		-	-	-	-
Import Penetration		-	-	-	-
Revealed Comparative Advantage of India in Services Exports		-	-	-	-
India's Trade to World Trade		-	-	-	-
FDI to GDP	-		-	-	-
FII to GDP	-		-	-	-
FDI+FII to GDP	-		-	-	-
Sectoral Foreign Direct Investments (FDI)	-		-	-	-
FDI to Gross Fixed Capital Formation Ratio	-		-	-	-
External Debt to GDP	-		-	-	-
Foreign Exchange Reserves to Imports Ratio	-		-	-	-
Participation in Trade Agreements	-	-		-	-
Trade with Trade-Agreement Countries to India's Total Trade	-	-		-	-
India's Membership in Foreign Organizations	-	-		-	-
India's Membership in Peace-Making Agreements	-	-		-	-

Mobile Cellular Subscription Per 100 Persons	-	-	-		-
Global Commodities as a Percentage of the Population	-	-	-		-
Research and Development Expenditure to GDP	-	-	-		-
Patent Application by Non-Residents to the Total Population	-	-	-		-
Remittances Inflows to GDP	-	-	-	-	
Foreign Exchange Earnings from Tourists as a ratio to Foreign Exchange Reserves	-	-	-	-	
Inbound and Outbound Tourists to the Total Population	-	-	-	-	
Ratio of Students Going Abroad to Enrolment in Higher Secondary (HSC)	-	-	-	-	
Work Permit Abroad as a Ratio to Total Population	-	-	-	-	
Ratio of Students Coming to India to enrolment in Higher Education in India	-	-	-	-	

Source: Author's Compilation

Favorable Trend **Favorable Trend with Fluctuation**

Flat Trend **Unfavorable Trend**

6.2. DIMENSIONAL GLOBALIZATION INDEX

This section presents the summary of the findings related to the dimensional indices of globalization.

6.2.1 Economic Globalization Index

The index of economic globalization increased from 1991 to 2020 at a CAGR of 11.1 percent. The index value for the first of the study period, 1990-91 is zero and it has increased to 100 in the final year of the study period, that is, 2019-20. This indicates that there has been a steady and continuous improvement in economic globalization of the Indian economy. The improvement in the first decade is more pronounced with 22.84 percent compared to the second and third decades which have registered 11.34 percent and 2.57 percent CAGR.

6.2.2 Financial Globalization Index

India experienced a growth of 37.08 percent on a compound annual basis in its financial globalization index from 1991 to 2020. In the first decade of the study period, the index of financial globalization increased at the CAGR of 145.37 percent which is a remarkable growth that can be attributed to the opening up of the Indian economy to foreign investment flows. However, the second decade of the study period registered a dismal growth of 2.58 percent on a compound annual basis. The decline in the growth rate in the second decade can be attributed to the volatility experienced on account of the US subprime mortgage crises. The financial globalization index has shown an increase by 11.70 percent CAGR in the third decade as compared to the second decade.

6.2.3 Political Globalization Index

The political globalization index value is zero in 1991 which represents the lowest level of political globalization seen in this particular period. In the year 2020 the index value is 67.50 percent which represents a moderate level of political globalization this year. The highest level of political globalization was reached in the year 2018. Excluding the last two years of the study period, the growth of political globalization of the Indian economy has been at a robust CAGR of 18.69 percent. The political globalization index in the first decade has increased with 46.09 percent CAGR. In the first decade, the growth in the index values is much higher, than in the second and third decade viz.,12.61 percent and 12.31 percent CAGR.

6.2.4 Technological Globalization Index

Over the years, India's engagement with technological globalization has increased consistently and is observed to reach its highest level of 100 in terms of the index number in the year 2019-20. In the first decade of the study period, the level of technological globalization in India has been very low with index values ranging below one percent, although, in percentage terms there is a robust growth of 57.51 percent on a compound annual basis between the years 1991 and 2001. From the second decade onwards, most indicators of technological globalization have shown much rise. These include increased access to global commodities, mobile subscriptions, research and development expenditure and patent application by non-residents. In fact, the second decade shows a steep rise in technological globalization in India from 0.94 percent to 82.06 percent between the years 2001 and 2011, growing at a remarkable CAGR of over 56 percent. Over the entire study period too, technological globalization index has grown at a high CAGR of 37.14 percent.

6.2.5 Social Globalization Index

Social globalization has increased from 1991 to 2020, in which the globalization index value was 4.60 in the year 1991 and 100 in the year 2020. However, the lowest level of social globalization can be seen in 1992 as the value of the index was zero. The index of social globalization was unstable in the initial few years, but from period 1995 to 2020 it can be observed the index has increased with 11.20 percent CAGR. High pace of growth in social globalization has been witnessed in the first decade of the study period, registering a CAGR of 31.37 percent. In the second and the third decades the growth rates have been moderate, viz., 4.6 percent and 1.74 percent, respectively. The overall growth has been at an appreciable rate of 11.2 percent on a compound annual basis.

6.3 COMPOSITE INDEX OF GLOBALIZATION

The overall globalization level in India, comprising all five dimensions has changed over time with an upward trend, although, in the first half of the study period there are fluctuations observed in the index. The index value doubled in the first decade of the study period, registering a CAGR of 8.84 percent. With the cumulative impact of reforms and the reinforcing inter-connectedness of various dimensions of globalization, the second decade witnessed rapid increase in overall globalization in India. This is evident in the upward of 40 percent increase in the CAGR to 12.47 percent. The level of overall globalization has also increased much more in the second decade; in the first decade the level doubled from its initial value, whereas, in the second decade the level tripled compared to its initial value. Notwithstanding these improvements, events like the global financial crises, H1B visa crises, Gulf-region job crises, volatility in world stock markets and in the GDP rates of economies, inflation, and recession, have dented the upward trend in the globalization index. The third decade again witnessed doubling of the index value from around 50 percent to 100 percent, although there was a ten percent decline in the last year, 2019-20, with the onslaught of the Covid-19 pandemic by the end of the year 2019. The downturn was particularly in the social and political dimensions.

6.4 INTER-ASSOCIATION BETWEEN DIMENSIONS OF GLOBALIZATION

This section presents a summary of interconnectedness between the dimensions of globalization. The interlinkages between the dimensions are much needed to establish the interdependence between variables and provide an overview for development in one dimension will change the other dimension.

The interlinkages between the dimensions of globalization can be seen with high correlation with almost near to one correlation coefficient. The pair-wise association between economic-political, economic-technological, economic-social, political-technological, political-social, and social-technological globalization are highly correlated with correlation coefficients above 0.90. It suggests that the development in one dimension of globalization is associated with other dimensions. But financial globalization is seen to have a relatively lower degree of correlation coefficient ranging between 0.64 to 0.73 with economic, political, social and technological dimension of globalization.

6.5 GLOBALIZATION AND ECONOMIC GROWTH IN INDIA

The analysis of globalization and growth has been carried out using the Granger causality and regression analysis. This section presents the results of the analysis.

6.5.1 Causality Between Globalization and Economic Growth

- **Indicators of Globalization**

The results of the Granger causality test reveal that there exists two-way causality between some indicators of globalization and economic growth. The pair of variables such as import penetration and GDP, trade in goods to GDP and GDP, and foreign debt to GDP and GDP have two-way causality between them. However, some sets of indicators have one-way causality which flows from globalization to economic growth and from economic growth to globalization. The globalization indicators namely, exports of goods to GDP, imports of goods to GDP, foreign exchange reserve to imports, number of sectors with 100 percent FDI limit, membership in foreign organizations, remittances to GDP and work permit abroad to total population are found to Granger cause economic growth in a one-way causality. Similarly, the uni-directional relation from economic growth to globalization is seen from the imports of goods to GDP, FDI+FII to GDP, FDI to GDP, FDI inflows to GFCF, foreign exchange earnings from tourists to foreign exchange reserves, foreign students coming to India to enrolment in higher education, inbound and outbound of tourists to the total population, students going abroad to enrolment in HSC, global commodities as a percentage of population and patent applications by non-residents to total population.

- **Dimensions of Globalization**

The findings of the Granger causality test between the indices of globalization and economic growth reveal the existence of one-way causality. The economic, and technological indices of globalization are found to accelerate the economic growth with the one-way directional flow of relation from globalization to economic growth. However, globalization when measured in terms of the dimensional indices of financial, political and social globalization, there is found to be one-way causality running from economic growth to globalization.

- **Overall Globalization**

Finally, when globalization is measured in terms of the composite index of globalization using all 31 indicators, it is found the causality runs from globalization to economic growth. Given the strong positive correlation between all dimensions of globalization the government should focus on deepening all dimensions of globalization so that they reinforce economic growth.

6.5.2 Globalization-Growth Relationship

The present study has used individual indicators of globalization as well as dimensional and composite indices of globalization as independent variables, apart from control variables, to examine their impact on economic growth represented by Total Factor Productivity (TFP) and GDP. The GFCF is used as a proxy for capital and GER for elementary, secondary and higher secondary levels of school education (E_GER, S_GER and HS_GER) have been used as alternative proxy variables for labour. Alternatively, the working age population as a percentage of population (WAP) and Human Capital Per Person (HCPP) have also been used to represent the labour.

- **Globalization and Economic Growth Relationship using Total Factor Productivity (TFP) as Dependent Variable**

The first set of models regresses TFP on the ratios of trade to GDP, import penetration, FDI to GDP, FII to GDP, India's participation in trade agreements, ratio of remittances to GDP, and indices of economic and financial globalization. It is found that the trade to GDP, import penetration, remittances to GDP and economic globalization index have a significant negative impact on productivity. The models in which the depth indicators of financial globalization i.e., the FDI to GDP and FII to GDP is used have a positive coefficient. This indicates the deeper increase in capital flows increases productivity. India's participation in trade agreements is also found to have a statistically significant positive coefficient.

- **Globalization and Economic Growth Relationship using Gross Domestic Product (GDP) as Dependent Variable**

The second sets of models regress GDP as a proxy variable for economic growth on variables like ratio of trade to GDP, remittances inflows to GDP, membership in foreign organization and index of technological globalization as independent variables for globalization. The trade ratio is found to have a significant positive impact on GDP. India's membership in foreign organizations and the index of technological globalization are also found to have positive coefficients and statistically significant impact. But the remittances to GDP ratio is not found to positively impact the economic growth of India.

It was found that models with GDP as the dependent variable have the expected results with better coefficient values of the explanatory variables than in the case of models with TFP as dependent variable.

6.6 GLOBALIZATION AND SOCIO-ECONOMIC DEVELOPMENT OF INDIA

The impact of globalization on socio-economic development has been gauged through statistical estimation using the ARDL approach. Various indicators of socio-economic development such as human capital, gender equality, education, health, income equality and employment.

- **Trends in Socio-Economic Development Indicators**

The trend and growth rate of socio-economic development in India is captured through the various dimensions such as human capital, gender equality, education, health, income equality, and employment. The dynamic increase in the degree of globalization has led to an improvement in the social development indicators. Human Development Index, Gross Enrollment Ratio at Elementary, Secondary and GER at all levels of education and GER at higher education, ratio of Government's Expenditure on Education as a percentage of GDP, and Life Expectancy at Birth have an increasing trend over the study period. Globalization has increased the prosperity of the Indian economy and thus, it has contributed toward the improvement in the socio-economic development of India.

The other measures of social development such as Gender Inequality Index, Infant Mortality Rate and Maternity Mortality Rate has a declining trend. This implies that globalization has enabled the improvement in the indicators of gender equality, and health. The economic development in India has been measured in terms of employment and income equality. It is found that over the 30-year period of globalization of the Indian economy, the rate of unemployment has increased. Likewise, there is not much visible improvement in income equality as observed in the relatively flat trend for the overall period. However, it may be noted that globalization has had a favorable impact on income equality as can be seen in the decline in the GINI index over the first two decades of the study period.

Summary of Trends in Indicators of Socio-Economic Development

Table 6.2 presents the summary of the trend of Indicators used to represent socio-economic development in India. The colour green indicates a favorable trend while red indicates unfavorable trend in the indicators. Except for the economic development indicator of employment as measured by the ratio of unemployment, all other socio-economic indicators suggest that globalization has had a positive impact in the case of India.

Table 6.2: Matrix of Trend of Indicators of Socio-Economic Development

Indicators/ Dimensions	Human Capital	Gender Equality	Education	Health	Income Equality	Employment
Human Development Index		-	-	-	-	-
Gender Inequality Index	-		-	-	-	-
Gross Enrollment Ratio at Elementary	-	-		-	-	-
Gross Enrollment Ratio at Secondary	-	-		-	-	-
Gross Enrollment Ratio at all Level	-	-		-	-	-
Gross Enrollment Ratio at Higher Education	-	-		-	-	-
Maternity Mortality Rate	-	-	-		-	-
Infant Mortality Rate	-	-	-		-	-
Life Expectancy at Birth	-	-	-		-	-
Gender Inequality Index	-	-	-	-		-
Unemployment as a percent of Total Labour Force	-	-	-	-	-	

Source: Author's Compilation

Favorable Trend **Unfavorable Trend**

Findings related to Globalization and Socio-Economic Development based on ARDL Models

- **Globalization and Gender Inequality**

The impact of globalization on gender equality has been measured in terms of Gender Inequality Index (GII). The findings of the ARDL model reveals that the Economic and Financial Globalization Indices have contributed positively in decreasing gender inequality in India. However, social globalization was not found to reduce gender inequality.

- **Globalization and Education**

The impact of globalization on education has been measured by examining the trend in the ratio of Government Expenditure on Education as a percentage of GDP. The findings reveal that greater FDI inflows would improve the level of education. However, the ARDL model shows that the dimensional index of financial globalization as a whole is not found to influence the education level. So is the case with foreign trade.

- **Globalization and Income Equality**

The impact of globalization on income equality has been captured by using the GINI index. The findings of the two sets of models on the GINI index show that income inequality has reduced with reference to the index of financial globalization. In India economic and social globalization indices are found to have increased income inequality.

- **Globalization and Employment**

The impact of globalization on employment has been measured by examining the trend of unemployment as a percentage of total labour force. Globalization when measured in terms of its composite index, based on the short run ARDL model it is found that unemployment in India has reduced. However, with reference to the particular indicator of trade to GDP and the index of financial globalization it was found that globalization led to increase in unemployment both in the short run and long run ARDL model.

6.7 CONCLUSION, RECOMMENDATIONS AND FUTURE SCOPE OF THE STUDY

6.7.1 Conclusion

Globalization in India has exhibited a mixed pattern. In ancient times India had been a frontrunner in international trade and commerce, being a leading exporter of several commodities such as spices, sugar, silk, and cotton, to precious stones. However, 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 with a largely closed economy approach. It was an era of high degree of protection to domestic industries. The five-year plans were effective in making the country self-sufficient to a reasonable extent; however, they brought along increasing debts and inefficiencies.

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 1990's balance of payments crisis, 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.

As part of the new economic policy gradual opening up of the economy was undertaken by reducing barriers to trade and foreign capital. India was the founder member of the WTO set up in 1995. Apart from this, India also entered into various Regional Trade Agreements (RTAs) involving countries across Asia, Africa, Europe, and others. Gradually 100 percent FDI has been allowed in practically all sectors, barring a few. Along with such an outward-looking approach the government of India has also undertaken initiatives and launched programmes for the domestic economy with a view to make the Indian economy self-sufficient and also more integrated with the global supply chains and production networks. The present study analyzes five dimensions of globalization namely, economic, financial, political, technological, and social globalization encompassing 31 indicators, in the reforms period. The key findings are that there is a visible improvement in each dimension of globalization. Economic, political, and technological globalization demonstrate clear improvement compared to financial globalization which has improved but with a lot of fluctuations. Social globalization has exhibited a mixed outcome with some indicators changing favourably, while others unfavourably.

As far as overall globalization is concerned, it is found that the financial dimension has the higher score as the weightage obtained from the PCA technique, followed by social dimension. As financial globalization involves opening up the economy for flow of capital from and to various countries, it is strongly associated with political globalization which implies countries coming together to improve trade and investment relations between themselves. Political globalization, which also entails membership to international and multilateral organizations related to trade and investment, and peace and cooperation, reinforce trade and capital flows between countries. Given the strong positive correlation between all dimensions of globalization improvement in any form of globalization would spillover to all other types of globalization as well.

Improvement in all forms of globalization in India is found to have resulted into a positive impact on economic growth as measured by GDP at constant prices. Likewise, globalization has also resulted in improvement in various indicators of socio-economic development. There is improvement over the 30-year period in the Human Development Index, gender equality, income equality, and in the level of education and health indicators. This implies that further liberalization and globalization along with appropriate policies for the social sector, in particular, would help in accelerating the pace of growth and development of the Indian economy.

Anti-Globalization

Over the years globalization has brought a change in the world order. By the end of the cold war the USA emerged as a superpower as the Soviet Union collapsed economically with the adoption of capitalism. In the later years, as China started liberalizing its economy since the 1970s, it emerged as a global production hub replacing the USA. 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. Protectionism has taken the form of trade wars in terms of retaliatory tariffs imposition. 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, and manipulative practices of trade have resulted into adoption of protectionist policies by the governments. The manipulative practices adopted by businesses are shaping the future of international business. For instance, Alphabet's Google pays more than $10 billion to block the rivals in order to maintain their global search engine in web browsers and mobile browsers, thereby hindering competition. Google was the monopolist until 2010 when new search engines entered the market. However, on account of its restrictive business practices, it now enjoys monopoly power controlling nearly 90 percent of the online search market (Indian Express, 2023).

Likewise, globalization has reduced the resilience of countries against incidences like financial crises, oil shocks, and catastrophic events like terrorist attacks, the Covid-19 pandemic, and supply shocks originating in some regions. These events impact the economies in terms of breakdown of production networks, and slowing down of the economies. The pandemic of Covid-19 pushed the world into slowbalization.

The experience of vulnerabilities by countries on account of overdependence, particularly on China, has made countries diversify the supply sources and investment destinations. 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. Even now several countries have continued to either restrict or ban Chinese products. In the future, these developments are 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. The southern countries are consolidating their competitive advantage by shifting the focus on north-south agreements to south-south agreements. Countries are increasingly realizing the need for inclusive and sustainable development.

6.7.2 Recommendations

Even as the Indian economy has globalized both in breadth and depth over the 30-year period, there are many issues and challenges of globalization that need to be addressed with appropriate policy responses. Trade agreements, whether bilateral, regional, or multilateral, increase trade opportunities, expand the size of markets, increase the opportunities to exploit differences in skills and endowments, and reduce the likelihood of conflicts between member countries. it is therefore recommended that India enters into agreements with countries having high trade potential.

Most trade agreements of India are concentrated with neighbouring countries, some Southeast Asian nations, the Middle East, and Latin American countries. This largely amounts to the South-South focus of India in establishing trade relations. More FTAs with developed economies such as the US, UK, EU, Japan, etc. would lead to greater diversification of markets, beneficial technology transfers, skill enhancement, and other benefits. Such associations would help India gain from increased competition, comparative advantages, enhanced economies of scale, political and financial assistance, etc. The trade agreements should be focused on the markets with competitive opportunities. This would lead to greater diversification in the direction of trade. This is particularly significant in the context of changing geo-politics in recent times.

As far as financial globalization is concerned there is further scope for India to encourage inward FDI. Other emerging economies such as Mexico, Indonesia, Brazil, Vietnam, and Cambodia have a higher FDI ratio to GDP compared to the range of zero to two percent for India over the entire study period. Smaller countries like Cambodia, and Vietnam have FDI flows in the range of five to 14 percent as a ratio to GDP since 2005. India compares poorly with other low and middle-income countries whose average FDI ratio has been in the range of two to four percent. This shows that a focused FDI policy can help India to deepen its financial globalization.

While India already has policies such as the Make in India initiative, PLI schemes, Land Banks and EPZs, National Single Window System, and has introduced measures to reduce compliance burden, there is a need to focus the schemes and incentives towards encouraging research and development so that India builds capabilities for new product and process development. Most of the policies of India that encourage the manufacturing sector are biased towards assembling and sub-assembling activities and fail to incentivize new product design. It is, therefore, recommended that policy measures have in-built elements that lead to collaborative research and enable India to integrate with global supply chains. Efforts should also be made to increase employment opportunities through measures for higher-order skill development. This is even more important for India so as to reap the benefits of demographic dividends. Indian corporates must also adopt international best practices such as inclusiveness and environmental sustainability so as to encourage inflow of foreign capital.

There is a need to strengthen the legal framework so that the contract enforcement system, for instance, provides legal and economic protection, improves the ease of doing business, and provides for a speedy and effective dispute resolution mechanism (Anand and Dutt, 2023). This will encourage more foreign companies to do business in India.

Globalization can be further accelerated with the help of digital technology. The government should address issues that hinder the adoption of digital technology by improving infrastructure and digital awareness. Digital illiteracy, low access and affordability of internet services and devices, weak connectivity, and lower rural penetration are some of the major concerns of less developed countries like India. The government should encourage digital transformation through the development of digital frameworks, governance frameworks, increased policy initiatives, bolstering digital awareness, increased usage of the internet and mobile phones, and implementation of safe and secure digital public infrastructure service providing partners, which could enhance the growth of technological globalization.

The government should also focus on the social dimension of globalization by enhancing the skills of the youth. Competing with the globalized world is complex. Countries need advanced technical knowledge, vocational skills, and also flexibility in the workforce. Investing in the skills of the youth is a vital need for a country to achieve economic growth and competitiveness. In particular, the education system should orient the youth towards strong foundational skills and specific skills for jobs. The government should make efforts to improve awareness among the youth regarding the skill development schemes of the government. It is also recommended to provide academic and administrative autonomy to educational institutions so that they can develop into centers of excellence and encourage the inbound flow of foreign students. Tourism being an important component of social globalization, the government should develop the required infrastructure, and provide the necessary services to encourage inbound tourists.

Although there has been an increase in the five dimensions of globalization in India, it is still lacking in improvement in other dimensions such as cultural and environmental. Cultural dimension of globalization involves indicators such as import and exports of cultural goods, import and export of cultural recreational services, applications to register a trademark intellectual property rights at national and regional level, and indicators related to global recognition of local brands (KOF, 2019). It is common knowledge that the influx of foreign goods has led to the dwindling of the domestic market for handicraft goods within India and the displacement of labour. This has led to the economic marginalization of artisans who lack economic and legal means to protect their interests. It is therefore recommended that the government makes an effort to support indigenous crafts and help them obtain patents and thereby achieve international recognition. Such measures would help in reducing the ill impacts of globalization on such sections of society by not only sustaining their livelihoods but also attracting more workers in these activities.

The government of India should encourage industries to come up with more eco-friendly production practices, reduce waste, provide awareness about circular economy practices, encourage alliances with international institutes to protect Mother Earth, promote Corporate Social Responsibility (CSR), sustainable development initiatives, programs on civil liberties, and gender parity. The government has undertaken several measures towards Sustainable Development Goals, and International Solar Alliances, and introduced programmes such as Namami Gange, Save Soil, Green Hydrogen mission, Gati Shakti, mission Lifestyle for Environment (LiFE), etc. However, these areas need special attention in order to boost the progress toward environmental globalization in India.

Although globalization has widened and deepened in the Indian economy in the past 30 years, it is also observed that there is a growing gap between the rich and the poor. Globalization has increased wage disparities between genders, increased child labour, and distorted the nature of employment by making it contractual and temporary in nature (Ashwathapa, 2014). In this context it is recommended that the government should focus increasingly on inclusive and sustainable growth. More focused policies are required for improving public health care infrastructure and social security.

6.7.3 Future Scope of Research

The present study has undertaken an in-depth analysis of the nature and extent of globalization and the interlinkages between its dimensions. Globalization is a complex phenomenon with many dimensions and spillover effects on several aspects of an economy such as culture, ideology, religion, legal, institutions, and environment, etc., which are difficult to capture in quantitative terms and are therefore, not included in the present study. Also, the study being macro-economic in nature, does not dwell upon the sectoral or regional nature of globalization within India. Study at the dis-aggregate level is not within the scope of the present research work. Therefore, the results of the present study need to be interpreted within the scope of the five dimensions and their indicators examined at the aggregate level, and the availability of data.

As discussed earlier the environmental dimension of globalization is largely a less-researched area and provides the scope of inquiry into how globalization has affected the environment. This is of great significance for sustainable and inclusive growth on which countries are now more focused.

In recent years, different states in India have become more aggressive in their approach toward business and investments. States are undertaking several promotional measures to attract foreign capital to set up businesses. This provides ample scope for research to analyze and compare the impact of policy differences between states on their level of globalization, as well as on their socio-economic status.

The present study has analyzed the impact of globalization on the socio-economic development of India. However, the scope of the study is limited to analyzing the impact only at the aggregate level. There are bound to be disparities between various sections of the population and between states with regard to social indicators of development. This creates a scope of research at the dis-aggregate and micro levels, particularly, to examine how different sections of society and different economic classes have been affected by globalization. Such research would throw light on the kind of policy responses required from the government to reduce the negative impact of globalization on economic and gender inequality.

As narrated in the present study there have been changing waves of globalization across the world resulting in the emergence of new economic and political dynamics, thereby shaping the world economy. This provides an interesting area of research as to how different waves of globalization including, anti-globalization and slowbalization, have affected different economies, particularly, the developing and emerging ones. The present research work has laid a solid foundation for the analysis of the extent, nature, and impact of globalization on a developing country like India.