9. Globalisation

Improve your learning

1. Question

What were the reasons for putting barriers to foreign trade and foreign investment by the Indian government? Why did it wish to remove these barriers?

Answer

The barriers to foreign trade and investment are put through imposing a tax on imports.

The Indian Government had to put such trade barrier on foreign trade after Independence. this was necessary to save the producers within the country from the foreign competition. After Independence India was feeble in its economy, there was unemployment at large, and the influx of foreign goods would mean barring own nation's development. So, to boost the indigenous production the government had to take such a step.

2. Question

How would flexibility in labor laws help companies?

Answer

companies are the backbone of the economy. Their productions are imported and exported worldwide which boosts the economy.

The government brings flexibility in the labor laws to help companies in making profits.

1. Socioeconomic Zones are one such flexibility. These are the regions where the companies are freed from paying taxes if they set up a production unit in these areas.

2. The government eased the law of hiring workmen. The companies are allowed to hire people for short periods. This is done to reduce the cost of labor for the company.

3. Question

What are the various ways in which MNCs set up or control production in other countries? Why do developed countries want developing countries to liberalize their trade and investment you think should the developing countries demand in return?

Answer

The MNC's buy up the local companies and then expand the production. The profits are shared in consensus among the companies.

The MNCs in developed countries places an order with the small producers and sell those products under their own brand name.

4. Question

Why do developed countries want developing countries to liberalize their trade and investment? What do you think should the developing countries demand in return?

Answer

Developed countries are advanced in terms of production. They produce items on a large scale due to the availability of machines and technology. For these products, there is a requirement of the market which is huge in the case of developing nations. Hence, they want these developing countries to liberalize their trade and investment.

Developing countries should demand the transfer of technology, protection to local products and assurance of not dumping of these goods.

5. Question

"The impact of globalization has not been uniform." Explain this statement.

Answer

globalization means growing of business across the world.

The impact of globalization has been huge upon the economy of the nations but hasn't been uniform.

a. The MNCs had been investing in sectors that bear huge profits. In India, these MNCs have been interested in investing in electronic, automobiles sectors. Due to this foreign investment, the small manufacturers have been hit hard.

b. The small industries hired most of the laborers, but due to globalization, these laborers have become unemployed.

There also a positive impact of globalization:

a. Investment by foreign companies has increased the employment of skilled and educated workforce.

b. Many Indian companies have also set up their units across the world.

6. Question

How has liberalization of trade and investment policies helped the process of globalization?

Answer

Liberalisation has helped in easing the process of foreign investment and boosted the MNCs in investing in other countries. Liberalization removes the trade barriers that were imposed by the nations that deterred the companies from investing. So, liberalization has spread the globalization.

7. Question

Globalization will continue in the future. Can you imagine what the world would like twenty years from now? Give reasons for your answer.

Answer

If trade continues the way it is then after 20 years there will be more integration of markets.

1. capital flows will increase in either side of nations.

2. The competition will increase in the market, and the quality of goods will also increase. Hence this will help the consumers.

3. Migration towards other nations will increase.

8. Question

Locate the following in the map of the world.

i) china ii) japan iii) Brazil iv) South Africa

Answer