

GLOBALISATION

ECONOMICS

WHAT IS GLOBALISATION?

- The process of inter-linking of markets through free flow of
 - trade and markets



What is a MNC?

- A Multi National Corporation Is A Company Which Has Production And Consumer Bases Across The World

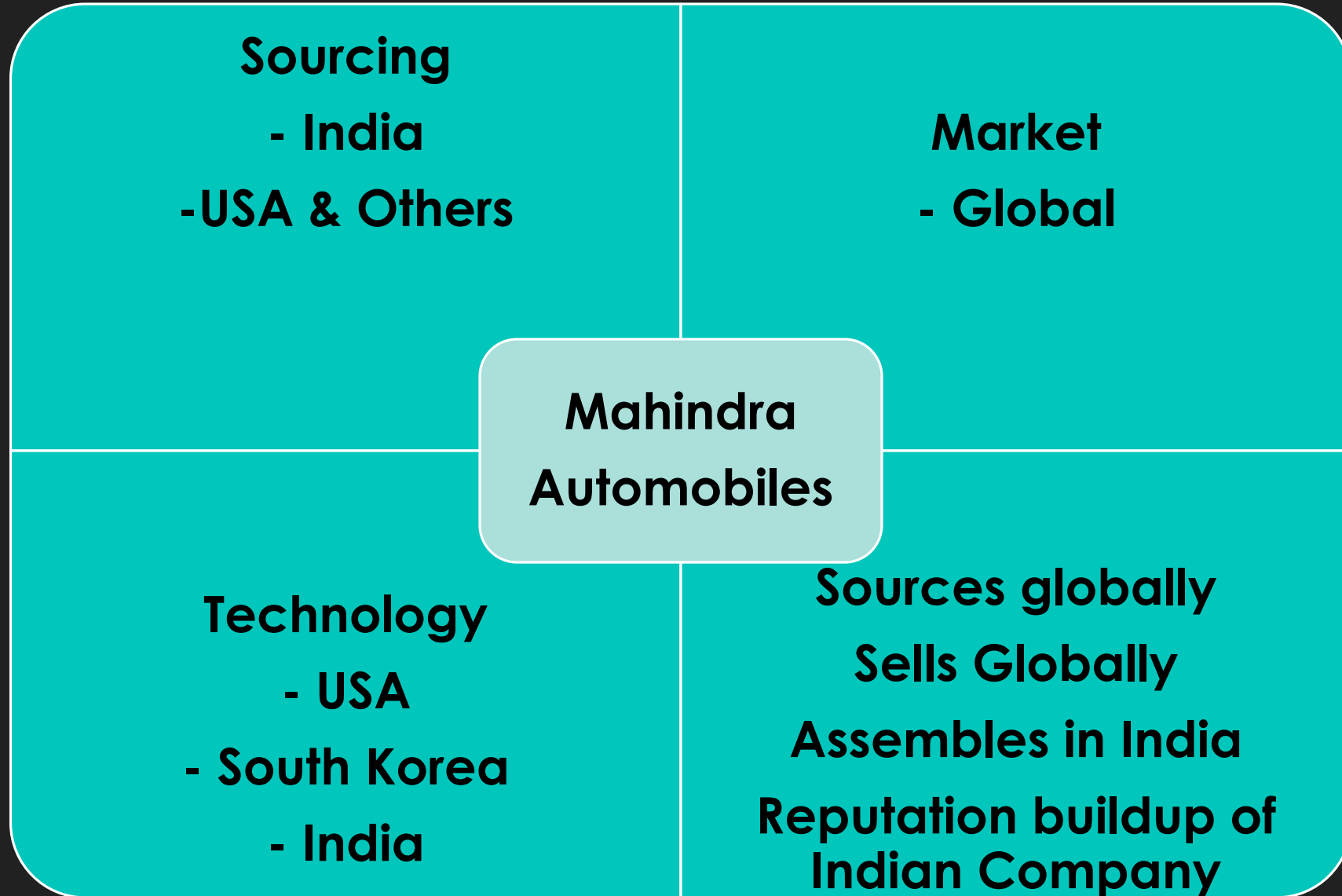
How do MNC's set up base?

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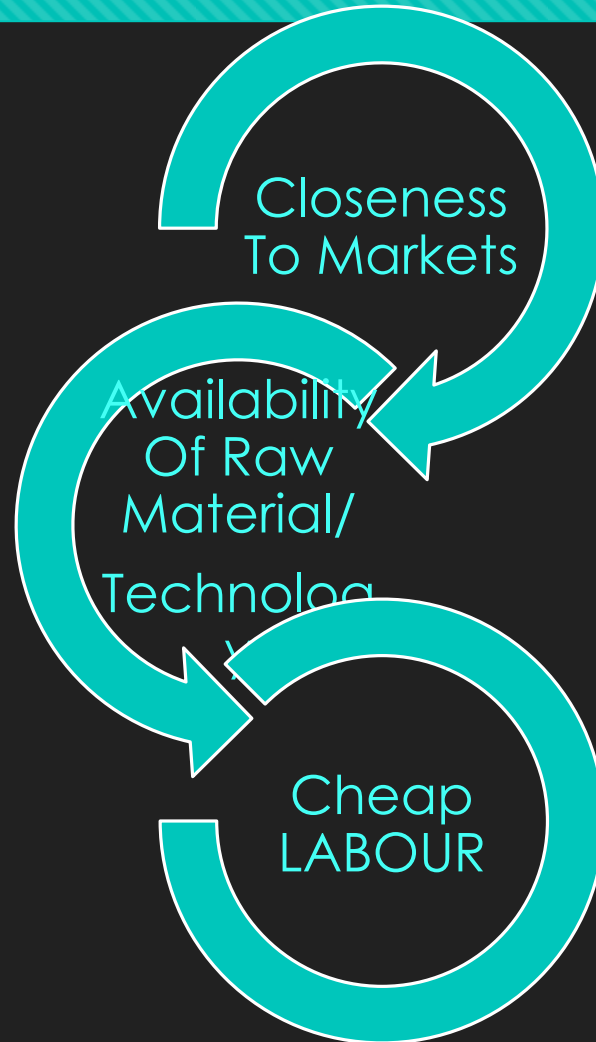
Local producers manufacture for MNC's

Buy out local companies

set up their own establishments



Factors that make an MNC set up base



Globalisation and India

- The Liberalisation policy of 1992 opened up Indian markets to the world
- Private investment and foreign investment was allowed

Impact on Indian producer- Positive

Influx Of New Technology

Competition Improved Quality Of Goods

Increase In Employment Opportunities

Rise Of India As A Global Player

Impact on Indian producer- Negative

Small Producers Could Not Keep Up

Exploitation Of Labour

Risk Of Dumping Of Outdated, Cheap, Low Quality Goods

Multi Nationals Dictating Government Policy

Role of World Trade Organization

- WTO facilitates implementation, administration and smooth operations of trade agreements between the countries
- It provides a forum for the trade negotiations between its member countries.
- It Settles disputes between the member countries
- It lays down guidelines and policies for international trade
- It checks unfair trade policies