

# WELCOME TO ECONOMICS CLASS

**SUBJECT : ECONOMICS**

**CHAPTER NUMBER: 04 GLOBALISATION AND INDIAN ECONOMY  
PERIOD-7**

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**CHANGING YOUR TOMORROW**

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# WORLD TRADE ORGANISATION & IMPACT OF GLOBALISATION

1. We have seen that the liberalization of foreign trade and investment in India was supported by some very powerful international organization.
2. These organizations say that all barriers to foreign trade and investment that are harmful. There should be no barriers.
3. World Trade Organization (WTO) is one such organization whose aim is to liberalize international trade.
4. Though WTO is supposed to allow a free trade for all, in practice, it is seen that the developed countries have unfairly retained trade barriers.
5. On the other hand, WTO rules have forced the developing countries to remove the trade barriers.



# MEMBERS AND OBSERVERS

- The WTO has 164 members and 24 observer government.
- Liberia became the 163rd member on July 2016, And Afghanistan became the 164th member on 29th July 2016.
- In addition to states, the European Union, and each EU country in its own right, is a member.

The WTO's overriding objective is to help trade flow smoothly, freely and predictably. It does this by:

- administering trade agreements
- acting as a forum for trade negotiations
- settling trade disputes
- reviewing national trade policies
- building the trade capacity of developing economies
- cooperating with other international organizations

# Impact of Globalisation



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1. In the last twenty years, globalization of the Indian economy has come a long way.
2. Globalization and greater competition among producers – both local and foreign producers – has been of advantage to consumers, particularly the well-off sections in the urban areas.
3. As a result, these people today, enjoy much higher standards of living than was possible earlier.
4. MNCs have increased their investments in India over the past 20 years, which means investing in India has been beneficial for them.
5. Several of the top Indian companies have been able to benefit from the increased competition..
6. Moreover, globalization has enabled some large Indian companies to emerge as multinationals themselves!
7. Globalization has also created new opportunities for companies providing services, particularly those involving IT.



## POSITIVE EFFECT OF GLOBALISATION:

- Gives Access to a Larger Market
- Provides Cheaper Goods for Consumers
- Globalization Wets Countries do what They do Best
- Leads to Better Economies
- Promotes World Peace and Unity
- Innovation
- Better Quality and Variety

## NEGATIVE IMPACT OF GLOBALISATION

- Causes Environmental Damage
- Causes Fluctuation of Prices
- Job Insecurity
- Impact on small producers

## THE STRUGGLE FOR A FAIR GLOBALISATION:

1. People with education skill and wealth have made the best use of new opportunities.
2. On the other hand, there are many people who have not shared the benefits.
3. Fair globalization would create opportunities for all and also ensure that the benefits of globalization are shared better.
4. The government can play a major role in making this possible.



5. Its policies must protect the interests, not only of rich and the powerful but all the people in the country.
6. It can support small producers to improve their performance till the time they become strong enough to compete.
7. If necessary, the government can use trade and barriers.
8. In the past few years, massive campaigns and representatives by people's organizations have influenced important decisions relating to trade and investments at the WTO.
9. This has demonstrated that people also can play an important role in the struggle for fair globalization.

**THANKING YOU**  
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