Chapter 7: Globalisation

Exercises — Exercises

Q1 Which of the statements are TRUE about globalisation? (a) Globalisation is purely an economic phenomenon. (b) Globalisation began in 1991. (c) Globalisation is the same thing as westernisation. (d) Globalisation is a multi-dimensional phenomenon.

Only (d) is true. Globalisation has political, economic and cultural dimensions, so (a) is wrong. It has a long historical basis, and 1991 only marks India's economic reforms, so (b) is wrong. Westernisation is just one possible cultural effect, so (c) is wrong.

Q2 Which of the statements are TRUE about the impact of globalisation? (a) Globalisation has been uneven in its impact on states and societies. (b) Globalisation has had a uniform impact on all states and societies. (c) The impact of globalisation has been confined to the political sphere. (d) Globalisation inevitably results in cultural homogeneity.

Only (a) is true. The impact is vastly uneven, affecting some societies and some sections within them more than others. It is not uniform (b), not limited to politics (c), and does not inevitably produce cultural homogeneity (d), since it can also produce cultural heterogenisation.

Q3 Which of the statements are TRUE about the causes of globalisation? (a) Technology is an important cause of globalisation. (b) Globalisation is caused by a particular community of people. (c) Globalisation originated in the US. (d) Economic interdependence alone causes globalisation.

Only (a) is true. Technology such as the telegraph, telephone and microchip has made flows of ideas, capital, commodities and people easier. Globalisation has no single cause, no single community or country behind it, and is not explained by economic interdependence alone.

Q4 Which of the statements are TRUE about globalisation? (a) Globalisation is only about movement of commodities. (b) Globalisation does not involve a conflict of values. (c) Services are an insignificant part of globalisation. (d) Globalisation is about worldwide interconnectedness.

Only (d) is true. Globalisation concerns flows of ideas, capital, commodities and people that create worldwide interconnectedness. It is not only about commodities. It can involve value conflicts, as Sarika's example shows. Services are significant, as the call-centre example shows.

Q5 Which of the statements are FALSE about globalisation? (a) Advocates of globalisation argue that it will result in greater economic growth. (b) Critics of globalisation argue that it will result in greater economic disparity. (c) Advocates of globalisation argue that it will result in cultural homogenisation. (d) Critics of globalisation argue that it will result in cultural homogenisation.

Only (c) is false. Advocates argue that globalisation brings growth and well-being. Critics argue that it widens economic gaps and threatens cultures through cultural homogenisation, the rise of a uniform culture. So (a), (b) and (d) are true.

Q6 What is worldwide interconnectedness? What are its components?

Worldwide interconnectedness is the linking of different parts of the world that results from constant flows across borders. These flows are created and sustained continuously, and people in different places recognise that events in one region can affect another. Examples are the spread of bird flu or tsunami effects, and the global reach of economic events. Its components are four kinds of flows. (1) Ideas, such as the spread of the internet and computer-related services. (2) Capital, which is moved between countries as investors seek better returns. (3) Commodities, which are traded across borders as import restrictions fall. (4) People, who move in search of better livelihoods, though this flow is the most restricted by visa policies.

Q7 How has technology contributed to globalisation?

Technology is a critical, though not the only, cause of globalisation. The telegraph, the telephone and, more recently, the microchip have revolutionised communication between distant parts of the world. These advances make it far easier for ideas, capital, commodities and people to move from one place to another. Capital and commodities move faster and wider than people. The chapter compares this with printing, which laid the basis for nationalism, and says technology will similarly change how we think about personal and collective life. Technology alone is not enough, however. Globalisation also needs people to recognise their interconnections with the rest of the world.

Q8 Critically evaluate the impact of the changing role of the state in the developing countries in the light of globalisation.

Globalisation affects the state in two opposite ways. On one side, state capacity erodes. The old welfare state gives way to a minimalist state that keeps law and order and security but withdraws from welfare functions such as education, health and sanitation. The market becomes the main determinant of economic and social priorities. The entry of multinational companies reduces governments' capacity to decide on their own. In developing countries this hurts the poor, who depend on the state for jobs and welfare. Critics say only a small section gains and call for social safety nets. On the other side, states remain important. They still carry out core functions, old rivalries persist, and new technology helps states collect information about citizens and rule better. So the state is not simply weakened. Its role changes, and the effects depend on the specific context of each country.

Q9 What are the economic implications of globalisation? How has globalisation impacted on India with regard to this particular dimension?

Economic globalisation means greater economic flows between countries. Restrictions on imports and on the movement of capital are reduced, so commodities and investment cross borders more freely, while the movement of people stays restricted by visa policies. Some of this is voluntary and some is pushed by international institutions such as the IMF and WTO and by powerful countries. Supporters argue that trade lets each economy do what it does best, and that it brings growth. Critics fear that gains reach only a few, that welfare suffers as the state withdraws, and that weaker countries may face ruin, with some calling it recolonisation. The same policies give different results in different places. India followed protectionism after independence, which brought slow growth and neglect of health, housing and primary education. In 1991, facing a financial crisis, India began reforms that de-regulated trade and foreign investment. The chapter says it is too early to judge, and the real test is whether the benefits of growth are shared by everyone.

Q10 Do you agree with the argument that globalisation leads to cultural heterogeneity?

Yes, to a large extent, though this is only one side of the picture. Globalisation can cause cultural homogenisation, as the dominant culture, especially American culture, spreads and the world is said to become 'McDonaldised'. But it also produces cultural heterogenisation, so that each culture becomes more distinctive. Cultures are not static and always accept outside influences. Some influences reduce choices, but others only widen them. A burger does not replace a masala dosa and is just added to food choices. Blue jeans combine with a khadi kurta to form a new, unique mix, which is now worn by young Americans too. Power differences between cultures remain, but cultural exchange is rarely one-way.

Q11 How has globalisation impacted on India and how is India in turn impacting on globalisation?

Impact on India: flows of capital, commodities, ideas and people go back centuries. Under colonial rule India exported raw materials and consumed finished goods. After independence it chose protectionism, which led to slow growth and neglect of key sectors. Since the 1991 reforms, trade and foreign investment have been de-regulated. Globalisation has also brought new opportunities, such as call-centre jobs and wider options for women like Sarika, along with conflicts of values and fears among farmers and small retailers. Resistance has come from the left through parties and forums like the Indian Social Forum, from trade unions and farmers' groups opposing multinationals, and from the right against cultural influences such as foreign TV channels and Valentine's Day. India's impact on globalisation: Indian services such as call centres serve overseas clients, an Indian company bought a major rival in Europe, and Indian dress such as the kurta has been exported abroad. Movements opposed to patenting of plants like Neem by foreign firms also show India taking part in global resistance.