

## GLOBALISATION AND ECONOMIC REFORMS

by NK Goyal

Debate on gains or losses out of globalisation is an ongoing and never ending process. Today we live in global village. Happening on one part of world are bound to affect the entire humanity. With opening up of economy by various countries, there is onslaught of overseas manufactured products. Here the critical factor playing important role is the political and economic donations of the exporting Country, which are entirely different than that of importing country. The imbalance starts from here itself. Globalisation has been most misused term for in Country policies. Under this word parity is imposed superficially on workers and industries, whereas the internal situations are far distant.

On a larger platform most of the political leaders talk of global development but overlook the fact the global policy may not be the best one for internal development. On several occasions the interest of local industry are compromised for the sake of posing a good politician to world.

Globalisation and its negative impact on working classes is major issue of concern. Globalisation has failed to deliver the promised decent living standards and benefits. Economic injustice arising from globalization is visible worldwide especially in Asia Pacific Region. The gap between have and have nots is increasing day by day.

Globalisation allows new knowledge and potential solutions to be generated and diffused world-wide. In providing much broader access to global knowledge and collaboration on science and innovation, more and better innovative solutions to global problems can be generated and diffused throughout the world. There is need to discuss how positive impact of globalization can be fostered and which barriers to this exchange of knowledge and ideas need to be addressed.

At the same time Globalisation has seen advances in information and communications technologies and a global environment is gaining momentum where the use of knowledge will enhance growth and overall development. The 21<sup>st</sup> consumer is not the same as that of 20<sup>th</sup> century. Information empowerment is bound to have an impact on production, manufacturing and financial management structures. The most interesting thing is that inspite of internet and vast knowledge sources available and tons of information being pumped into human's mind; the real knowledge needed hardly comes. Also the digital information naturally comes bundled with spans and junk information. The demand, therefore, is of a new sensitivity to the Globalisation of flow of knowledge.

Globalisation is a force for change. World economies are more open, and countries must adjust to that change by being competitive. There are new opportunities for countries to exploit, new ways of thinking and more efficient ways of doing things Governments need to invest more in people through education and training to prepare them for finding new jobs.

The knowledge-based market place is made up of intangibles. Governments decide whether to treat knowledge as a public good and prone free access or to attach a price tag to every piece of knowledge. Society offers incentives in return for knowledge like open capital markets and intellectual property rights, which can be an incentive or an inhibitor. But society also has an obligation to make knowledge available and to transfer knowledge. Helping the poorest countries in the world is a moral and ethical issue. Developing countries need more support and fewer barriers. There is a need for global policies and global rules.

As is said Globalisation is a 100 lane highway crisscrossing the world without traffic. We need a safe lane on which our business will go along with the multinationals. As per **Dr. Mohammad Yunus, Nobel laureate, Founder Grameen Bank, Bangladesh** “there is no point in discussing whether we want or not the globalisation. It existed from the day we became part of the globe. There is a right and wrong globalisation. If it is wrong, our task is to correct it.”

### **Innovation and Globalisation**

The innovation and globalisation are mutually reinforcing and can bring huge benefits if technology is used to promote the greater good. Much more can be done to encourage innovation, particularly in developing countries.

Innovation has played a key role in fostering globalization. Much of the increase in globalization over the past decade has been facilitated by innovation and technical change in communication and transportation that have lowered the costs of international trade. Over the same period, innovation in information and communications technology has even further strengthened this process by enabling international trade and digital delivery of a growing range of services. A couple of areas of potential point of debate are: 1) How far will this process go; will we see a continued growth in international trade due to innovation, or will we see some goods and services continuing to be provided at the national level? 2) What challenges does this pose for countries; how can they adjust to this continued globalization process. Globalisation of research and innovation can be important positive factors for change.

Innovation allows a freer, faster flow of people, ideas and new technologies, driving globalization. Globalisation, in turn, opens up competition in global markets, spurring countries to become increasingly innovative in order to compete. Having more people engaging in science and innovation can help strengthen productivity and income growth, and thus reduce poverty. This can help to address major global problems such as climate change, energy security, water and health.

The global drive for innovation depends on international flows of knowledge through trade, foreign direct investment, people and ideas.

There is also a need for more choice: choice for innovators to choose business models, for consumers to choose products, to go beyond classical education because soft skills are necessary. Society must find ways to inspire people and encourage creativity. Different skills are needed: coming up with new software requires creativity; writing new software requires engineering skills; testing new software falls in the domain of science. Finally, speed in decision-making is, for example, a competitive advantage. We must attempt for the same.