INTRODUCTION:

Globalisation is a term that covers all factors of life: political, economic, social and cultural. A global or transitional economy is one which transcends the national borders unhindered by artificial restrictions like government restrictions on trade and factors movement. The World Bank defines globalization as “Freedom and ability of individuals and firms to initiate voluntary economic transactions with residents of other countries”. The International Monetary Fund (IMF) defines as “the growing economic interdependence of countries worldwide through increasing volume and variety of cross-border transactions in goods and services, free international capital flows, and more rapid and widespread diffusion of technology”. According to Stiglitz “Globalization is the closer integration of the countries and peoples of the World which has been brought about by the enormous reduction of costs of transportation and communications, and the breaking down of artificial barriers to the flow of goods and services, capital knowledge and (in a lesser extent) people across borders.” In the words of Jagdish Bhagwati “Economic Globalization constitutes integration of national economies into the international economy through trade, direct foreign investment (by corporations and multinationals), short term capital flows, international flows of workers and humanity generally, and flows of technology”. In a broad sense, the term ‘globalization’ refers to integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Since July 1991, new economic reforms were taken into consideration with the objective to move the economy to more liberalize and globalize. This package of new economic reforms is called the new economic policy which has three main aspects, i.e. privatization, liberalization and globalization. In this way, globalization is an integral part of new economic policy. Globalization means to reduce the trade
barriers and free flow of capital as well as technique. It increases the competitiveness on the one hand, and grow faster of the economy on the other. In fact, globalization accelerates the economic growth. The opening up of the Indian economy in 1991 brought about major changes in the different export sector of the Indian economy. The market oriented economic policy of the country was reinforced with the signing of Uruguay Round of Agreement (URA) in 1994 which led to the establishment of the World Trade Organization (WTO). These developments have been associated with often much heated debate regarding their benefits and costs in respect of different sectors of Indian economy. It is therefore appropriate to explore India’s economy’s potential in the context of these significant developments. No doubt, government has taken several steps to boost up the development of the economy from time to time but, even then the growth rates slowed down resulting lower even in comparison with the developing countries also. Since Jan 1995, almost two decades have passed to follow the policy of globalization. Therefore, the objective is to analyze the impact of WTO on India’s macroeconomic indicators. So, the present study will be taken under the title “Impact of WTO on Indian Economy: Performance of Different Macro Economic Development Indicators.”