

FDI AND ECONOMIC DEVELOPMENT OF INDIA

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ABSTRACT

FDI refers to Capital inflows from abroad that are invested to enhance the production capacity, better education, and better employment opportunities of the economy. It is one of the important sources for the development of any country. After the announcement of new industries policy 1991 and the current policies India has been experiencing acceleration in the flow of FDI into the country. FDI triggers technology spillovers, contributors to International trade, integration, helps to create a more competitive business environment and enhance enterprise development. All these contribute to higher economic development. The main purpose of this paper is to investigate the impact of FDI on economic growth of India since LPG Policy.

KEYWORDS: FDI, Human Capital Formation, LPG Policy, Technology Spillovers