FDI AND FII: A ROUTE TO GROWTH

Dr. Sanjeev Kumar Arora*

*Principal,
D.A.V. College,
Abohar, India.

ABSTRACT

The late-2000s financial crisis (often called the Global Recession or Credit Crunch) is considered by many economists to be the worst financial crisis since the Great depression of the 1930s. It resulted in the collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world. In many areas, the housing market had also suffered, resulting in numerous evictions, foreclosures and prolonged unemployment. It contributed to the failure of key business, declines in consumer wealth estimated in the trillions of U.S. dollars, and a significant decline in economic activity, leading to a severe global recession in 2008. The immediate cause or trigger of the crisis was the bursting of the United States housing bubble which peaked in 2005-2006. An increase in loan incentives such as easy initial terms and a long-term trend of rising housing prices had encouraged borrowers to assume difficult mortgages in the beliefs they would be able to quickly prices started to drop moderately in 2006-2007 in many parts of the U.S. refinancing became more difficult. In this paper I have discussed the flow of FDI and FII in India as a pattern of Economic Reforms in India.