Why India Risks Falling Behind

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For much of the past decade, India's economic debate has revolved around GDP growth, stock markets, digital payments and becoming the world's third-largest economy. Economist and journalist Dinesh K. Vohra argues that these headlines hide a deeper structural problem.

According to Vohra, India is entering one of the biggest transformations in the global economy since the Industrial Revolution. Artificial intelligence is changing industries. China is consolidating its manufacturing dominance. Vietnam is rapidly emerging as a preferred export destination. New technologies are reshaping supply chains.

His concern is that India is responding too slowly—and in some cases, moving in the wrong direction.

Vietnam's Rise, India's Missed Opportunity

Vohra illustrates his argument with a comparison between India and Vietnam.

Around 2013-14, India's merchandise exports were roughly US$330 billion, while Vietnam exported about US$132 billion. A decade later, Vietnam's exports had climbed to around US$480 billion, while India's exports increased only modestly to about US$440 billion.

For Vohra, this is not simply Vietnam's success story—it is also evidence that India failed to capitalize on an opportunity during a period of major shifts in global manufacturing.

GDP Alone Doesn't Tell the Whole Story

Vohra cautions against focusing only on headline GDP growth.

India's economy may be expanding in rupee terms, but international comparisons are made in US dollars. A weakening rupee reduces the country's effective growth when measured globally, affecting purchasing power, investment attractiveness and relative economic strength.

He argues that exchange-rate depreciation can significantly dilute nominal economic gains.

AI Is Changing White-Collar Work

Artificial intelligence occupies an important part of Vohra's analysis, but not because he views it as a distant technology.

He argues that AI is beginning to automate work traditionally performed by software developers, accountants, financial analysts, legal professionals, documentation specialists and other knowledge workers. Tools that initially assisted programmers are increasingly performing coding and implementation tasks themselves, reducing dependence on outsourced services.

For a country whose services sector—and especially IT exports—has been a major growth engine, he sees this as a serious strategic challenge.

Manufacturing Remains India's Weakest Link

A recurring theme throughout the discussion is manufacturing.

Vohra argues that while China built its economic strength through industrial production, India remained heavily dependent on services. China now dominates global manufacturing, giving it enormous influence over international trade.

As new investments move into electronics, semiconductors, telecommunications equipment and advanced manufacturing, countries such as Vietnam, South Korea and Japan are positioning themselves to benefit.

His question is straightforward: where does India fit into this emerging industrial landscape?

Innovation Cannot Be an Afterthought

Perhaps Vohra's strongest criticism concerns research and development.

He argues that India has invested far too little in scientific research, industrial innovation and advanced manufacturing capability. Instead of creating globally competitive technologies, the country often remains dependent on imported products and foreign innovation.

According to him, sustained investment in research institutions and modern manufacturing should have been a national priority years ago if India hoped to compete in future industries.

China Is Changing the Rules

The discussion also examines China's growing economic influence.

Vohra points to China's massive export capacity and expanding manufacturing base, arguing that many countries are becoming increasingly dependent on Chinese industrial production.

He cites concerns expressed by other economists that China's scale has begun reshaping global trade itself, creating intense competitive pressure for manufacturing economies around the world.

Policy Decisions Under Scrutiny

The most controversial part of Vohra's presentation concerns domestic economic policy.

He argues that a series of major policy decisions—including demonetisation, the prolonged COVID-19 lockdown and various import restrictions—acted as repeated brakes on India's economic momentum.

He contends that such disruptions slowed investment, weakened manufacturing and reduced India's ability to take advantage of global economic shifts.

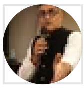
The Bigger Question

The presentation ultimately asks a larger question.

As artificial intelligence transforms white-collar employment, China strengthens its manufacturing dominance and countries such as Vietnam attract new investment, is India preparing for the economy that is emerging—or still responding to the economy of the past?

Vohra argues that India's long-term competitiveness will depend less on short-term growth figures and more on sustained investments in manufacturing, research, innovation, technology and stable economic policy.

Whether one agrees with all of his conclusions or not, his presentation raises questions that deserve serious public debate as the global economy enters a period of rapid transformation.



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