Article

Globalisation and Its Influence on Export Competitiveness of India: Insights from an ARDL Approach

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Abstract

The study examines the impact of globalisation, including political and economic, on the export competitiveness of Indian manufacturing from 1970 to 2023. The autoregressive distributed lag (ARDL) model has been utilised along with other econometric stability tests to study the long-run impact of sample variables on export competitiveness of Indian manufacturing. Findings indicate that economic globalisation is the least influential factor in bolstering India's manufacturing competitiveness in the global arena. In contrast, political integration has yielded significant benefits in both the short and long term, alongside social globalisation. India's experience underscores the importance of political integration and proactive foreign engagement in strengthening its global competitiveness. While the country has effectively developed diplomatic ties and attracted foreign investments, it still faces challenges related to economic globalisation, particularly within the manufacturing sector. Regulatory hurdles and limitations on foreign direct investment across various industries have hindered the growth of export-driven manufacturing.

JEL Classification: F1, F18

Keywords

Autoregressive distributed lag, export competitiveness, globalisation, India, political globalisation

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Introduction

Globalisation is often associated with international economic integration, which involves the integration of the global economy through international trade, foreign direct investment, immigration and technological advancements. Historically, economic output was perceived as a concept embedded within social interactions. The concept of 'globalisation' describes the strengthening of extensive social connections that span large distances. Typically, this phase reflects a country's economy becoming interlinked with the global economy. Economic reforms have played a crucial role in driving growth and highlighting the Indian economy's integration into the global market (Manhas, 2020). The implementation of economic reforms significantly affected economic growth and demonstrated the Indian economy's alignment with global trade. In 1991, India's currency reserves fell below $1 billion, putting the economy in a precarious situation. This economic transition impacted various sectors, including agriculture, manufacturing, banking and universal healthcare.

Over recent decades, global trade has experienced dramatic shifts in both composition and volume, with significant changes observed in the economy of India. After opening up to the global market, India has advanced her economy and refined its trading patterns and strategies. The export growth has been crucial in securing foreign exchange and managing international payments. India was relatively closed off until the early 1990s, with import tariffs exceeding 80% and about 90% of tradable commodities protected by qualitative restrictions (Chadha et al., 2003).

India's genuine shift towards globalisation began in 1991. Before this period, the Indian economy was predominantly state-controlled, with public sector enterprises holding dominant positions. Economic policies were guided by regulatory measures that controlled pricing, currency values and investments. During the 1970s and 1980s, India's macroeconomic strategies were considered conservative and cautious. The central government's revenues exceeded its expenditures, resulting in surpluses that were used to partially cover capital account deficits. However, in the early 1980s, lax budgetary policies led to a shift from surpluses to deficits, which increasingly required domestic borrowing to address.

India, one of the major Asian economies, has shown remarkable growth over the past few decades, largely due to its integration into the global market. The sample economy has been chosen for this study for several reasons. First, understanding globalisation necessitates examining emerging economies like India (Huchet et al., 2007). The impressive economic transformation of this economy has positioned it as one of the leading economies based on trade and GDP figures. It hosts a large domestic market with significant potential for industrialisation and trade, and is benefited with a large labour force and abundant natural resources.

Second, with frequent economic downturns in other parts of the world, it is essential to focus on emerging economies like India. This nation has the potential to innovate and excel in areas like technology, manufacturing and software. Given the anticipated long-term deterioration of trade terms for developing nations like India, focusing on improving its manufacturing sector's export competitiveness is

crucial. Lastly, while India's economic growth has been driven by the service sector, there remains untapped potential in manufacturing. It becomes necessary to focus on whether India has benefited in its manufacturing sector from the ongoing globalisation processes.

Globalisation has sparked economic advancement across the world through the promotion of free trade. This phenomenon has led to ongoing shifts in production methods, financial dealings and trade practices, thereby enhancing the global competitiveness of participating economies. The economy of India has shown an inclining trend in the export competitiveness of its manufacturing sectors in the global market (Ganai & Bhat, 2021; Ganai & Mir, 2021; Ganai et al., 2023; Ganai et al., 2024). Competitiveness refers to the combination of institutions, policies and factors that influence a country's productivity level (World Economic Forum, 2013–2014). Similarly, export competitiveness can be described as the policies and elements that allow a nation to effectively increase its exports in the global market, outperforming its competitors. There has been a substantial nexus between competitiveness and production levels of the Indian economy, and therefore, an increasing competitive structure would increase the production level of the economy (Sahoo et al., 2022). Porter (1990) contends that the sole significant measure of national competitiveness is productivity. He argues that improving the standard of living hinges on a country's firms' capacity to attain high productivity levels. According to Porter, governments can foster competitive advantage by driving change, enhancing domestic competition and encouraging innovation. Thus, increased competitiveness would lead to increased productivity, which has a causal impact on recreating and increasing the competitive structure of India. Whether India has benefited from globalisation policies or whether it has proved otherwise to its competitive structure, this study would give a brief account on that. Therefore, the objective of the present study is to analyse the long-run relationships between export competitiveness, economic globalisation and political globalisation in India. This study would be an exclusive contribution to the prevailing literature in the Indian context as no research is available that examined the long-run relationship between export competitiveness with the ongoing political and economic globalisation; thus, this study would fulfil the gap.

Review of Literature

Numerous researchers have explored the relationship between globalisation, particularly trade openness, and economic growth, often arriving at varying conclusions. A few are mentioned below.

Konya (2004) conducted a similar investigation into the global integration pattern of exports and growth of OECD economies by examining real exports and real GDP across 25 OECD countries. His findings were mixed: there was no causality between economic growth and export-led globalisation in the Netherlands and Luxembourg. However, he observed that exports led to growth in Iceland, while growth spurred exports in Japan, Canada and Korea. Additionally, he found bidirectional causality between economic growth and exports in the UK and Sweden.

Sathe and Agarwal (2004) investigated the effects of liberalising the Indian pulses sector. Their study revealed that pulse imports have not significantly boosted supply to establish a strong negative correlation between prices and imports. Despite relatively low import duties on pulses, the import policies have not resulted in a notable reduction in prices.

Sultan (2008) observed no significant correlation between globalisation caused by export growth and GDP growth. By analysing annual data from 1965 to 2004 and applying logarithmic transformations, he identified a Granger causality relationship. Specifically, he found that growth in total exports Granger-caused GDP growth, but not the other way around.

Maneschiold (2008) investigated the export-led growth hypothesis in Argentina, Brazil and Mexico, utilising causality and co-integration methods within an error correction model. His study divided the analysis into two periods, before and after the NAFTA agreement (for Argentina and Mexico). The findings revealed that in Argentina, exports influenced GDP through co-integration, whereas in Mexico, GDP was the leading variable in both timeframes. After the NAFTA agreement, the causal relationship for both Argentina and Mexico became bidirectional, while it remained unidirectional from exports to GDP before the agreement. In Brazil, a unidirectional causality from exports to GDP was observed. This study supports the concept of globalisation-driven growth across both industrialised and developing countries.

Similarly, Shahbaz et al. (2011) explored the relationship within Pakistan's economy, using data from 1960 to 2003. Applying co-integration techniques and multivariate Granger causality as per Toda and Yamamoto's (1995) methodology, they identified a long-term relationship between imports, exports and output growth. The study revealed a unidirectional causality from exports to output growth, with no significant causality between import and export growth.

In a similar vein, Hye and Siddiqui (2011) discovered analogous findings in their study of Pakistan's economy. Using autoregressive distributed lag (ARDL) and rolling window regression methods, they identified a significant long-term relationship between real GDP and real exports.

Rana et al. (2018) examined the Indian manufacturing enterprises (IMEs), which are currently undergoing a significant transformation driven by evolving economic policies and a shifting global perspective. This research examines the current state and perspectives of IMEs through the framework of globalisation. The findings suggest that the Government of India must implement various policy changes to enhance the global competitiveness of Indian manufacturing firms. The study progresses methodically, beginning with the evolution of the manufacturing sector, providing an overview of Indian manufacturing, exploring different aspects of globalisation, assessing the current state of IMEs and ultimately drawing conclusions based on these observations.

Manoj (2019) illustrated that globalisation has brought transformative changes to industries and businesses worldwide. The increasing global competition necessitates higher productivity and quality in production, as well as enhanced cost-effectiveness to cope with competitive pressures. Consequently, businesses are continually exploring innovative production methods to maintain their

competitive edge. The study focused on the necessity of flexible manufacturing systems (FMS) in India, evaluating how FMS can improve manufacturing productivity.

Gupta and Campbell-Mohn (2022) examined the effects of globalisation on the manufacturing sectors of India and China. It evaluates the manufacturing industries in India based on four key factors: labour demand and supply, labour costs, literacy rates and productivity. The analysis reveals that although both India and China experienced similar economic trends prior to globalisation, China's manufacturing sector eventually outpaced India's due to superior technology and a more skilled workforce. The study highlights how globalisation influenced the manufacturing sector through increased capital investment as economies transitioned to the secondary sector with technological advancements. The article further explores how these shifts manifest in developing economies by comparing the labour markets of India before and after globalisation with those of China during the same period.

Based on the past reviews, the present study would focus on the impact of globalisation on export competitiveness of Indian manufacturing, which is quite new and interesting to follow. As there are very limited studies on economic and political globalisation and its relationship with export competitiveness of Indian manufacturing, this study would fulfil the gap.

Research Methodology

The empirical linkage between political, economic and social globalisation with respect to export competitiveness has been analysed for the Indian economy from 1970 to 2023 using time series data. The data have been taken from WITS, World Bank and UNCOMTRADE for export competitiveness, while data for political, economic and social globalisation have been taken from the KOF Swiss Economic Institute.

In order to investigate the long-run impact of economic and political globalisation on export competitiveness of India, an econometric link is developed between the sample variables, where export competitiveness is the dependent variable and economic, political and social globalisation are the independent variables. The following function can be formulated to visualise:

$$\mathrm{EC} = f\left(\mathrm{EG}, \mathrm{PG}, \mathrm{SG}\right)$$

where EC represents the export competitiveness of manufactured product lines, EG, PG and SG would represent the economic, political and social globalisation, respectively. Besides, all the sample variables are taken in their index form.

Further, the function can be illustrated as an econometric model in the following equation:

$$\mathrm{EC} = \alpha + \beta \mathrm{EG} + \gamma \mathrm{PG} + \delta \mathrm{SG} + \varepsilon \tag{1}$$

We have transformed the above econometric model into natural logarithms, and thus could be written as:

$$\ln EC = \alpha + \beta \ln EG + \gamma \ln PG + \delta \ln SG + \varepsilon \tag{2}$$

To examine the long-run and short-run dynamics between the variables, we opted for the ARDL bounds testing approach developed by Pesaran (1997) and Pesaran et al. (2001) over other traditional methods. The ARDL model is also effective when working with small sample sizes (Huang, 2002) and helps to mitigate issues of omission bias and autocorrelation in the data. Furthermore, the ARDL testing approach gives valid t-statistics and unbiased estimates for the long-run model. Also, ARDL tells the speed of adjustment. The empirical ARDL equation is formulated as follows:

$$\begin{aligned}\Delta \ln EC_t = {} & \alpha_1 + \sum_{i=1}^{p} \delta_{ij} \Delta \ln EC_{t-1} + \sum_{i=0}^{q1} \beta_{ij} \Delta \ln EG_{t-i} + \sum_{i=0}^{q2} \gamma_{ij} \Delta \ln PG_{t-i} + \sum_{i=0}^{q2} \phi_{ij} \Delta SG_{t-i} \\ & + \theta_1 \ln EC_{t-1} + \theta_2 \ln EG_{t-1} + \theta_{32FCFI} \ln PG_{t-1} + \theta_4 \ln SG_{t-1} + \varepsilon_t\end{aligned} \tag{3}$$

where p represents the lag order of the dependent variable, other q_s represents the lag order of the explanatory variables. $t = 1 \ldots T$ is the time index, and ε_t is the random error term.

Further, the short-run estimation can be assessed through the following equation:

$$\begin{aligned}\Delta \ln EC_t = {} & \alpha_1 + \sum_{i=1}^{p} \delta_{ij} \Delta \ln EC_{t-1} + \sum_{i=0}^{q1} \beta_{ij} \Delta \ln EG_{t-i} + \sum_{i=0}^{q2} \gamma_{ij} \Delta \ln PG_{t-i} \\ & + \sum_{i=0}^{q2} \phi_{ij} \Delta SG_{t-i} + \sum_{i=0}^{q2} \psi_{ij} \Delta \ln EC_{t-i} + \sum_{i=0}^{q2} \omega_{ij} \Delta \ln EG_{t-i} + \sum_{i=0}^{q2} \tau_{ij} \Delta \ln PG_{t-i} \\ & + \sum_{i=0}^{q2} \mu_{ij} \Delta \ln SG_{t-i} + ECM(-1) + \varepsilon_t\end{aligned} \tag{4}$$

To assess stationarity in the data set, the Phillips–Perron (PP) unit root test and the augmented Dickey–Fuller (ADF) test were utilised. A key aspect of the ADF test is the selection of lag values in its equation. To address this, the test sequential strategy (TSS) was implemented alongside the PP test for unit roots, which provided reliable results. The integration and application of the time series depend on the chosen lag length. Lag values were determined using Schwartz's formula, which proposes $\iota = T$, where T represents the sample size. After identifying the appropriate lag, the stationary and co-integration properties were examined if variables were integrated at $I(k)$, with $I(1)$ being stationary at the first difference. Should two or more variables show co-integration, an error-correction model would be applied.

The study also aimed to verify the long-term relationships between variables using t-tests or F-tests. Variables might be stationary $I(0)$, integrated of order $I(1)$, or mutually co-integrated. The bounds testing technique is advantageous here because it requires the primary variables to be stationary while allowing others to be non-stationary. Long-term results were derived from Equation (3), while an error-correction model was formulated as a linear combination of lagged variables in Equation (4). The initial step in estimating the ARDL model involved

performing either a *t*-test or an *F*-test, with the *F*-test being more sensitive to lag order. Thus, selecting the appropriate lag length was a crucial first step in the ARDL approach. Once the lag was determined, *t*-tests and *F*-tests were conducted to check for co-integration.

When all independent variables are assumed to be stationary at level *I*(0), a lower critical value is observed. On the other hand, when all variables are assumed to be integrated of order one, *I*(1), a higher critical value is recorded. A long-term relationship is confirmed if the test statistic exceeds the critical value; otherwise, the null hypothesis of no co-integration cannot be rejected. The error correction mechanism (ECM), first introduced by Sargan (1964) and later refined by Engle and Granger (1987), addresses situations of disequilibrium by estimating the speed at which a dependent variable returns to equilibrium after shifts in other variables. If all variables converge to their long-term equilibrium, the coefficient associated with ECM should decrease. Specifically, a negative and significant coefficient for ECM_{t-1} suggests adjustment towards equilibrium, supporting the notion of co-integration. The adjustment parameter's absolute value should range between zero and one.

Additionally, the cumulative sum (CUSUM) of recursive residuals was applied to check model stability. The model is deemed well-fitted if the difference between actual and forecasted values is minimal.

Second, the export competitiveness of manufacturing product lines of India has been calculated by utilising the revealed comparative advantage (RCA) index developed by Balassa (1965). If the value of this index comes to be greater than one, that means country is having competitive advantage in that particular product line and vice versa. The RCA index is shown by a formula as follows:

$$\text{RCA}cg = \frac{X_{cg} \big/ X_c}{X_{wg} \big/ X_w}$$

where RCA*cg* = RCA of country *c* in product g; X_{cg} = exports of commodity *g* by country *c*; X_c = total exports of country *c*; X_{Wg} = world exports of commodity *g*; X_w = total world exports. Accordingly, country *c* exhibits RCA in the export of good *i* if RCA*cg* is greater than one.

In this study, we used the SITC three-digit classification system to calculate the RCA values for manufactured product lines, including textiles and clothing, chemicals (both organic and inorganic), iron and steel, pharma products, along with other manufactured commodities. Since the SITC classification covers a wide range of products within each category, we averaged the RCA values for all products within each category to treat them as a single manufacturing product line denoted by EC (export competitiveness) in the equation. Thus, export competitiveness of a manufactured product line is the average RCA of various manufactured commodities that are exported to the global market by India during a particular period.

Results and Discussion

Before conducting the empirical investigation, it is essential to perform unit root tests to assess the data's stationarity. This step is necessary before applying the ARDL model analysis for both the short and long run. ADF and PP unit root tests were utilised for this purpose as shown in Table 1. The results show that variables are mostly integrated at $I(1)$, except PGI, which is integrated at $I(0)$.

The findings indicated that the variables were non-stationary at their initial levels but attained stationarity after computing the first differences. This suggests there may be a long-term relationship between the variables.

Descriptive statistics for globalisation indices are shown in Table 2, which describes the mean, median and standard deviation, along with skewness and kurtosis of the sample economy's variables.

Similarly, bounds test illustrates that F-value is more than the critical values as shown in Table 3, therefore rejecting the null hypothesis and follows that there exists a long-run relationship between the sample variables.

Table 1. Unit Root Tests.

		India	
Variables	Order	ADF	PP
EC	Level	0.2873	0.2379
	First difference	0.0002*	0.0005*
EG	Level	0.8739	0.9062
	First difference	0.0077*	0.0088*
PG	Level	0.0330*	0.007**
	First difference	0.0729	0.1301
SG	Level	0.9692	0.9971
	First difference	0.055*	0.0076**

Notes: '**' and '*' represent significance at 1% and 5% levels, respectively. ADF: Augmented Dickey–Fuller; EC: Export competitiveness; EG: Economic globalisation index; PG: Political globalisation index; PP: Phillips–Perron; SG: Social globalisation index.

Table 2. Descriptive Statistics.

	EC	EG	PG	SG
Mean	0.97	26.18	81.46	28.63
Median	0.99	27.42	85.22	19.06
Maximum	1.08	45.89	92.96	56.07
Minimum	0.80	12.98	58.87	13.21
St. Deviation	0.07	13.40	11.39	16.56
Skewness	–0.82	0.31	–0.59	0.49
Kurtosis	2.76	1.21	1.88	1.48

Note: EC, EG, PG and SG indicate export competitiveness, economic globalisation index, political globalisation index and social globalisation index, respectively.

Table 3. Bounds Test.

F-Bounds Test		Null Hypothesis: No Levels Relationship		
Test Statistic	Value	Significance	*I*(0)	*I*(1)
			Asymptotic: *n* = 1,000	
F-statistic	7.28911	10%	2.37	3.2
k	3	5%	2.79	3.67
		2.50%	3.15	4.08
		1%	3.65	4.66

Table 4. Results of Diagnostic Tests.

(a) Godfrey Serial Correlation LM Test			
F-statistic	2.8276	Prob. *F*(2,40)	0.0710
Obs*R-squared	6.4412	Prob. Chi-square(2)	0.390
(b) Heteroscedasticity Test: Breusch–Pagan–Godfrey			
F-statistic	0.7232	Prob. *F*(9,42)	0.6849
Obs*R-squared	6.9781	Prob. Chi-square(9)	0.6394
Scaled explained SS	7.0791	Prob. Chi-square(9)	0.6289
(c) Normal Distribution			
Jarque–Bera		6.7681	
Probability		0.536	

Moreover, the evidence of diagnostic tests revealed that there is no statistical problem with the empirical results as shown in Table 4a, 4b and 4c.

The diagnostic tests indicate that the model is free from major issues. The Godfrey serial correlation LM test shows no significant serial correlation, with a *p* value of .0710 for the *F*-statistic and 0.390 for the Chi-square, both above the 5% significance level. The Breusch–Pagan–Godfrey heteroscedasticity test reveals no evidence of heteroscedasticity, as all *p* values are well above .6, indicating homoscedastic residuals. Finally, the Jarque–Bera test for normality ($p = .536$) confirms that the residuals are normally distributed. These results suggest that the model is well-specified and free from significant diagnostic problems.

ARDL Estimation (Short-run)

The economic globalisation index for India, along with other nations, consists of two key aspects. First, it assesses the economic interactions between India and other countries by evaluating international trade and investment. This dimension examines the volume of goods, services and investments exchanged with the global market. Second, it looks at trade and investment barriers, such as tariffs and capital controls, that could restrict international investment. Each of these aspects

Table 5. Short-run Autoregressive Distributed Lag (ARDL) Estimates.

Variable	Coefficient	Probability
ΔlnEG	0.04	0.54
	(0.056)	
ΔlnPG	0.192*	0.031
	(0.088)	
ΔlnSG	0.05*	0.034
	(0.036)	
ΔlnEC (–1)	0.615**	0.0001
	(0.120)	
C	–0.34*	0.033
	(0.157)	
Ect (–1)	–0.38*	0.003
	(0.091)	
R-square	0.94	
Adj. *R*-square	0.93	

Notes: ** and * are significant at 1% and 5% levels.

is quantified using multiple variables, which are then integrated into a single index that ranges from 0 to 100, where 100 indicates absolute economic globalisation, and 0 is otherwise.

Table 5 illustrates the short-run ARDL estimated coefficients, and it is found that economic globalisation is contributing positively to export competitiveness, but the value of the coefficient is very low and insignificant. However, political globalisation has benefited Indian manufacturing export competitiveness significantly. Political globalisation is measured by several indicators, including the number of embassies and high commissions a country hosts, its membership in international organisations, its involvement in United Nations peacekeeping missions and the number of treaties it has signed with other nations. Specifically, for India, this includes tracking the total number of treaties it has signed with other countries since 1945. A per cent change in political globalisation would increase the competitive strength of Indian manufactured products by 19% in the global market as shown in Table 5. Social globalisation is assessed through three main dimensions: personal contacts, information flows and cultural proximity. It measures personal cross-border interactions through travel, migration and remittances. It also evaluates information exchange via telecommunications, including television, internet and mail. Besides, it gauges cultural connections by assessing access to global media, such as movies and music. Similarly, social globalisation is also benefiting export competitiveness, although the value of the coefficient is low, but proves that around 9% change in competitive structure can occur due to a per cent change in social globalisation in the global arena.

Besides, the error correction term shows that there is a probability of 38% to converge towards long-run equilibrium monotonically for the variables to impact the export competitiveness of Indian manufacturers.

Figures in parentheses are standard errors.

The long-run results of the sample economy are illustrated in Table 6. Economic globalisation shows a positive current impact, with a coefficient of 0.04, indicating that a 1% increase in EG leads to a 0.04% rise in the dependent variable and is significant. However, its lagged value of (–0.24, $p = .002$) introduces a regression coefficient, implying that the initial gains from economic globalisation taper off in subsequent periods.

Figures in parentheses are standard errors.

Similarly, political globalisation exhibits a strong long-run positive influence, with a coefficient of 0.52 ($p = .016$), meaning that a 1% increase in PG results in a 0.52% rise in the dependent variable. The lagged political globalisation (0.04, $p = .001$) suggests a smaller but still significant effect over time. Social globalisation, while smaller in impact, remains positive, with a coefficient of 0.08 ($p = .034$), indicating that improvements in social factors contribute modestly to the dependent variable's growth. The lagged value of social globalisation has a weaker but notable impact.

Thus, the coefficient values describe the situation that economic globalisation has only benefited to a very small extent towards the export competitiveness than other globalisation indices. The economic globalisation index is contributing

Table 6. Long-run Autoregressive Distributed Lag (ARDL).

Variable	Coefficient	Probability
lnEG	0.04**	0.003
	(0.064)	
lnEG (–1)	–0.24*	0.002
	(0.047)	
lnPG	0.52**	0.016
	(0.106)	
lnPG (–1)	0.04*	0.001
	(0.001)	
lnSG	0.08*	0.034
	(0.036)	
lnSG (–1)	0.02*	0.056
	(0.043)	
ln EC (–1)	–0.27*	0.042
	(0.138)	
C	–0.26*	0.0001
	(0.091)	

Notes: ** and * are significant at 1% and 5% levels.

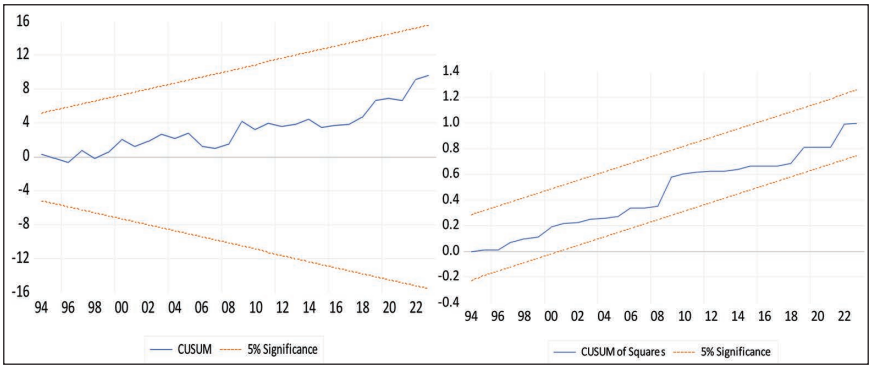

Figure 1. Cumulative Sum (CUSUM) and CUSUM Square.

around 4% impact on the competitive strength of Indian manufacturers in the world market. Besides, the lagged value of economic globalisation is negatively impacting the export competitiveness of Indian manufacturing product lines in the long run.

However, political globalisation has significantly contributed 52% towards the growth of export competitiveness. Political globalisation has therefore remained very effective in both the short- as well as long-run. Thus, Indian competitive strength has benefited more by political integration with the world market rather than economic integration, and has contributed significantly towards increasing the competitive strength of Indian manufactured product lines.

Export competitiveness presents a different dynamic, as its lagged value (–0.27, $p = .042$) shows a significant negative effect on the dependent variable, suggesting that past competitiveness may lead to inefficiencies or other long-term economic costs. These findings emphasise the need to balance the positive effects of economic and political globalisation with the potential negative consequences of export competitiveness, highlighting the importance of an efficient competitive pattern for sustainable long-term outcomes.

The CUSUM and CUSUM square that showed the model stability in the long run has been depicted in Figure 1.

Conclusion

This study examines the impact of globalisation on the export competitiveness of Indian manufacturing from 1970 to 2023, employing the ARDL model. Findings indicate that economic globalisation is the least influential factor in bolstering India's manufacturing competitiveness in the global arena. In contrast, political integration has yielded significant benefits in both the short and long term, alongside social globalisation. India's experience underscores the importance of political integration and proactive foreign engagement in strengthening its global competitiveness. While the country has effectively developed diplomatic ties and attracted foreign investments, it still faces challenges related to economic

globalisation, particularly within the manufacturing sector. Regulatory hurdles and limitations on foreign direct investment across various industries have hindered the growth of export-driven manufacturing. Additionally, a notable skills gap persists, as India's strengths in information and communication technology have not been fully leveraged in manufacturing.

To achieve its goal of becoming a global manufacturing hub, India needs to embrace advanced technologies and enhance workforce skill development. Investing in research and development is essential, as is the need to integrate foreign direct investment into crucial manufacturing sectors. By focusing on high-tech production and aligning strategies with global economic trends, India can improve its export performance.

Furthermore, cultivating robust political and diplomatic relationships will be critical for ensuring economic stability and growth. The current government's recognition of this necessity highlights the need to synchronise political objectives with economic goals. Ultimately, a well-rounded approach that integrates these aspects will be vital for India to realise its vision of becoming a 'Viksit Bharat' or developed nation.

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