

# [Why has india been able to build a thriving software industry? essay sample](https://assignbuster.com/why-has-india-been-able-to-build-a-thriving-software-industry-essay-sample/)

[Economics](https://assignbuster.com/essay-subjects/economics/)

Why has India been able to build a thriving software industry? What are the country’s advantages in this market? What are the country’s disadvantages?

India has been able to build a thriving software industry due to its good educational system which has enabled India to produce a large number of well and highly qualified soft ware engineers. India’s low labour cost has also contributed to the growth of the soft ware industry by increasing the demand for software experts by foreign firms. e. g. USA and European firms import Indian software experts due to the low wages (labour cost).

The country’s advantages in the market include the economic reforms which has made industry a powerful force for modernising Indian’s economy, the industry has also improved India’s economy inform of increased GDP through foreign direct investments, However, India’s lack of infrastructure and low standard of living make it difficult for programmers to remain working in India and the economic policies have failed to fully utilise the increasing talent from the University graduates which has led to increased brain drain or influx of It experts into America and the European countries, this high influx may affect India’s economy negatively in the long run, another disadvantage is the India’s overburdened telecommunication infrastructure and electrical grid which has made most industries look for alternative sources of energy, the software industry high depends/cannot function in the absence of these energies and the use of generators which use petrol has a high budget implication on firms