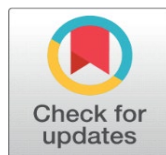
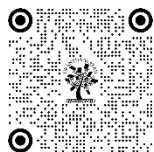


THE IMPACT OF EMERGING TRENDS IN THE "MAKE IN INDIA" PROGRAM ON THE INDIAN ECONOMY

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ABSTRACT

Make in India is an initiative of the Government of India to encourage multi-national, as well as domestic companies to manufacture their products in India.

Make in India Campaign was launched by the Prime Minister Narendra Modi on 25 September 2014 by addressing a mass audience including both national and international entrepreneurs in New Delhi.

Keywords: Policy, Inception, Emerging, Trends



1. INTRODUCTION

This is an international marketing strategy conceptualized by the PM of India to attract investments from businesses all over the world and transforming India into a global manufacturing hub. For promoting this campaign a web portal, logo and brochures are used that contained details of 25 priority sectors of the economy. The objective behind this initiative is to focus on job creation, skill development and innovation and to align India's manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), Joint Ventures (JV), Foreign Direct Investment (FDI) inflow, and advancing Ease in Doing Business (EDB). Higher education will also play a significant role in improving the quality of Research and Development (R&D). This scheme focuses on acceleration of economic growth to the new heights and to pull back the economy from clutches of recession. Currently India's GDP is heavily tilted in favour of service sector. In this research my objective is to study the role of Make in India as a driver of growth in different sectors and its opportunities, challenges and changes needed. Since the area of study is recent origin, the availability of primary data and information may be to the limited extend. Hence, for the purpose of accomplishment of study the secondary data will be used and analyzed.

The Secondary data will be collected from various sources such as journals, magazines articles, brochures, annual reports and other unpublished official available resources etc.

2. RESEARCH PROGRAMME

TITLE

The title of the research is **"Impact of Emerging Trends of 'Make in India' policy on Indian Economy since inception."** It is very current topic and in my opinion it will display the role of Make in India in development of India. This research helps answer the question by describing the job growth potential of the Indian economy.

It is expected that this research model will be able to highlight the future employment generation feasibilities for India for next coming years. The "Make in India" program was kicked off in September 2014. It is a national program designed for India to make it into a global manufacturing hub and transforming it into a vibrant economy. The major objective behind the initiative is to focus on the 25 sectors of the economy for job creation and skill enhancement. The mission is to manufacture in India and sell the products worldwide. Make in India focuses on the following twenty-five sectors of the economy.

Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defence manufacturing, Electrical Machinery, Electronic systems, Food Processing, Information Technology and Business Process Management, Leather, Media and Entertainment, Mining, Oil and Gas, Pharmaceuticals, Ports and Shipping, Railways, Renewable Energy, Roads and Highways, Space and astronomy, Textiles and Garments, Thermal Power, Tourism and Hospitality, Wellness.

'Make in India' is a challenge for a developing country like India. India is a country rich in natural resources. Young labour is in plenty and easily available given the high rates of unemployment among the educated class of the country since Government of India has introduced "Skill India Program" for unskilled youth, the available of skilled labour and workers will come up to the mark to fulfill the target of Make in India program.

With Asia emerging as the outsourcing hub of the world, India may also opt to become the preferred manufacturing destination of most investors across the globe. Make in India Initiative could prove to harness this demand and boost the Indian economy. Effective governance along with democratic conditions could certainly leverage India's manufacturing superiority.

3. THE IMPORTANCE OF MAKE IN INDIA AS A DISCIPLINE HAS ENORMOUS SCOPE IN THE GLOBALIZED ERA.

Awareness at a greater level is always beneficial for the successful implementation of this developmental plan. There is a need to deliberate on the various issues related to Economics of Make in India in order to harness the opportunities available and also face the challenges and be prepared with the proactive approach to combat these issues of varying complexities.

The Research is divided in three parts. In the first part the focus will be on understanding the Objectives, Strategy and Impact of Make in India concept on different sectors of our economy and globally. The second part will deal with the sectoral perspectives and the last part will deliberate upon SWOT analysis of this concept in Indian perspective with global prospective.

4. PRESENT STATE OF KNOWLEDGE

Make in India is an initiative of the Government of India to encourage multi-national, as well as, domestic companies to manufacture their products in India. The Make in India campaign will help the selected Domestic companies who are having innovative ideas in field of manufacturing so that they all can be given necessary help and facilities to expand their business. Since government of India has introduced "Startup India campaign" is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start ups with jobs creation. It is focused on to restrict role of States in policy domain and to get rid of "License Raj" and hindrances like in land acquisitions, foreign investment proposal, environmental clearances.

It was organized by Department of Industrial Policy and Promotion (DIPP). The Standup India initiative is also aimed at promoting entrepreneurship among Schedule Castes and Schedule Tribes, women communities.

There are concessions given to startups like tax, profit and more. One of the main motives I think is Boosting spirit of entrepreneurship. The 'Make in India' was introduced by the Prime Minister on 25th September 2014. Make in India programme basically means to produce all the commodities and services within India. Anything that is consumed / consumable as a commodity or service shall be produced within the country.

In brief, the benefits of this initiative are that with business friendly ecosystem (fast approvals, minimum government & maximum governance model) and investor friendly ecosystem provided by the government more and more companies will be encouraged to set up their manufacturing plants in India thereby boosting investment simultaneously increasing employment and hence promoting exports. This initiative has both economic and social impacts.

Make in India is an initiative from Government of India led by Prime Minister Narendra Modi to set up industries and make the product for Indian people and to export it to foreign countries.

WHY IT WAS NEEDED?

1. **ECONOMIC POINT OF VIEW:** To make India a rich country we need to create a manufacturing hub of world in India itself. This will boost our economy as we will have more skilled personnel with more rising per capita income in terms of PPP or nominal ventures. It will help to remove the so called stigma of poverty as well as unemployment.
2. **POLITICAL REASON** The other main purpose of Government of India is also to show the different improvised and progressive policy for the development of national economy in comparison to the previous government.

5. AIMS AND OBJECTIVES

"WHAT EXACTLY 'MAKE IN INDIA IS...'

Modi Government won the election by promising jobs galore through rapid industrial growth. However, industrial jobs are not growing fast anywhere in the world. Modern technology is increasingly mechanizing industries, and manufacturing requires ever fewer workers per unit of output. Many US industries have moved to China seeking lower wages somehow Apple too. Virtually all its products are assembled in China, from components made in several countries. Obama, like Modi, would like Apple to do more manufacturing at home.

It can be said that Apple phones are made in the US, and merely manufactured in China. Historically, making and manufacturing meant the same thing. But not anymore. When Apple started selling Smartphone's for \$300, China's share from assembly was just \$7. Apple got \$150 of the value through innovation, marketing and profits. The remaining value was split among component suppliers, transporters, and other minor partners. If Apple gets \$150 of a phone's value and China gets only \$7, is the phone really made in China? No, I would say it is made in the US, and merely manufactured in China.

The key parts of making goods is shifting to innovation design and marketing, not manufacturing components or assembling them. What matters is value capture, not just manufacture. Indian companies have begun replicating Apple's approach. Micromax has ousted Samsung as India's top cell phone seller. Other Indian cell phone companies (Karbonn, Lava) are using the same approach. They design their phones, which are then manufactured and imported from China. As in Apple's case, one could argue that Micromax's cell phones are really made in India, and merely manufactured in China.

Companies like Micromax, Karbonn and Lava may one day start assembling phones in India if the government creates conditions that are conducive. Even so, going by Apple's experience, this may add very modestly to their share of value capture.

Let's be clear, traditional manufacturing is not dying. it will grow in volume and employment for a long time. The newcomers occupy only a small part of the economic space today. In traditional industries, "make" and "manufacture" may remain synonymous. But let us prepare for a future where, increasingly, "manufacture" will be just a small part of "make".

6. HYPOTHESIS

To analyze the impact of Make in India policy, the impact on indicators of growth among the Indian manufacturing industries has to assess. The common indicators of growth are number of units, employment, investment, production, assets etc. In this context, the proposed hypotheses will assess the impact of make in India policy on the all these indicators of growth. The null hypotheses will be framed as:

1. **H₀₁:** There is no significant impact of Make in India policy on the growth of units in the manufacturing industries.
2. **H₀₂:** There is no significant impact of Make in India policy on the growth of investment in the manufacturing industries.
3. **H₀₃:** There is no significant impact of Make in India policy on the growth of production in the manufacturing industries.

4. **H₀₄:** There is no significant impact of Make in India policy on the growth of employment in the manufacturing industries.

5. RESEARCH METHODOLOGY – DESCRIPTION

A conclusion type of research is going to be done on this topic. A particular conclusion will be drawn through qualitative research.

1. PROPOSED RESEARCH DESIGN A research design is the arrangement of conditions for collecting and analyzing the data in a manner that aim to combine relevance to the research purpose with economy in procedure. In this particular study, researcher will do the prescriptive, critical and diagnostic research study.

2. TOOLS The various tools used in the research work for the collection of data may be as follows:

(a)FOR COLLECTING PRIMARY DATA Formal and informal communication along with the interview to collect primary data.

(b)FOR COLLECTING SECONDARY DATA Books, Journals, Magazines, Newspapers, Government publications and internet etc. would be consolidated to gather information about emerging trends of "Make in India" policy on Indian Economy.

3. ANALYSIS Researcher would like to use statistical figures, through tables, calculate averages, percentage, per capita, capacity utilization, extrapolation techniques and computer programming during the course of analyzing our data.

4. AREA OF STUDY Particularly the study is aimed on Manufacturing sectors and concerned economic sectors of India.

5. LIMITATIONS OF STUDY As this study is going to be done on a large scale some assumptions of time and resource limitations can be there.

6. OBJECTIVES

The objective of the study is to find out the emerging trends of "Make in India" Policy on Indian Economy. A detailed study of Make in India policy will be done along with the future aspects of Make in India Policy. Researcher will also study the role of Make in India scheme as a driver for growth in different sectors, to study how India is converting into global manufacturing hub, to generate employment in the country and its impact on economic growth, to motivate domestic and multinational companies to invest in India

7. THE OBJECTIVES OF THIS STUDY ARE

1. Analysis of Make in India initiative of the Indian Government.
2. Appraisal of Scope and challenges in this campaign.
3. Assessment of current global market.
4. Projections, Reforms and suggestions to make this campaign a success.

1. ANALYSIS OF MAKE IN INDIA INITIATIVE OF THE INDIAN GOVERNMENT

As per the report published by Make In India is successful in all the sectors covered under this scheme . Invest in India is regarded as most effective investment promotion by the agencies like United Nations Conference on Trade and Development. Foreign Direct Investment has increased many times after the campaign

2. APPRAISAL OF SCOPE AND CHALLENGES IN THIS CAMPAIGN

The initiative of Make in India was to create jobs for the youths which it has failed to do so. India is ranked as one of the worst for the working people according to International Trade Union Confederation (ITUC). The investors have very low confidence to invest in India due to complex tax structure and its system.

3. ASSESSMENT OF CURRENT GLOBAL MARKET

According to Economic Survey it will focus on sectors that have capability to generate jobs and push economic growth of the. Prime Minister has extensively travelled throughout the world and promoted the campaign. It has attracted foreign capital from abroad. India is one of the favourite destination for FDI. Swedish global furniture giant Ikea has opened its first retail store in Hyderabad in 2018.

4. PROJECTIONS, REFORMS AND SUGGESTIONS TO MAKE THIS CAMPAIGN A SUCCESS.

India is behind only China when it comes to manufacturing. China has bigger factories and superior trade infrastructure such as large ports that are essential for a global manufacturing hub which India does not have. The need for improvement in education, India needs to bring in consistency in innovation in existing institution/systems to improve quality of education. Simplification of existing tax structure. Regular and continuous supply of electricity for the manufacturing units. India's infrastructural development has to be done in order to achieve the target that has been set – up as it is one of the reasons for slow growth rate.

8. CONCLUSION

India has that capability to push the GDP to 25% in next coming years. The government of India has taken tremendous steps to encourage investment and to improve further business climate.

"Make in India" mission is one such long run initiative which will accomplish the dream of transforming India into manufacturing Hub. Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of 'Make in India' ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015 in the fields like telecom, defense manufacturing, automobile, Internet of Things, financial technology modules and mobile internet have immense potential to succeed in the scheme of 'Make in India'," said Siddhartha Das, general partner, Venture East addressing aspiring entrepreneurs at the discussion on "Entrepreneurship - Role of Start-ups towards Make in India". Make in India scheme also focuses on producing products with zero defects and zero effects on environment. The various measures undertaken by the Government of India is to address issues related to economic growth, delay in Government decisions and reforms in the Labour law, Land law and Taxation have kick started the manufacturing sector and upliftment in the growth of GDP by 5.7 in last quarter. If governance will remain continue in this current manner, we can definitely hope to see a significant and sustainable growth in the manufacturing sector and progress towards India becoming a global manufacturing hub.

Prime minister Narendra Modi's promise (at the Hannover Messe- The world's largest trade fair in April, 2015) to remove unnecessary regulations and simplify procedures, gives a hope to see significant and sustainable growth in the manufacturing sector and thus making India a global manufacturing hub. Modi Govt has signed a US \$ 35 Billion deal with Japan for infrastructure development. However MSME forms the base of the large scale industry, so promoting MSME sector will help in flourishing of large scale industry which will help in achieving the goal Make in India. The challenge is to make 'Make in India' an economically viable and globally luring project.

CONFLICT OF INTERESTS

None.

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