



‘Make in India’-A New Paradigm for Socio-Economic Growth

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Abstract—Make in India is the outcome of many innovations and technological advancements. The lives of people are transformed in many ways and results in empowerment of the society in a better manner. Make in India is an initiative taken by the Government of India. It was launched by the Indian Prime Minister, Narendra Modi on September 25, 2014. It was a positive invitation to potential partners and investors around the world. Make in India, is an inspiring slogan. It represents a broad concept of processes and policies. It states an overall change of the Government’s mindset - a shift from issuing authority to business partner, in keeping with Prime Minister Modi’s principle of ‘Minimum Government, Maximum Governance’.

Hence, an attempt has been made in this paper to understand Make in India –as a campaign to improve practical skills to ‘make in India’ a reality by boosting up industry and employment and to make an impact on all aspects of governance and improve the quality of life of citizens.

Key words: Economic growth; Employment Governance; Make in India.

I. INTRODUCTION

India is a country with rich amount of natural resources. There are plenty number of labor and skilled labor is given the high rates of unemployment among the educated class of, the country. Asia is said to be developing outsourcing hub of the world, likewise India is soon becoming the preferable manufacturing destination for most of the investors

internationally. Make in India is the Indian government's effort to tackle the demand and boost the Indian economy. The ranking of India is low on the "ease of doing business index". Labor laws in the country are still not helpful to the Make in India campaign. This might becomes the global disadvantages of manufacturing and investing in India. The government of India initiates new ways for free flows of capital.

The Prime Minister Narendra Modi formulated Make in India as an international marketing campaigning slogan on 25th September 2014. The reason behind this was to encourage the global companies to invest and manufacture their products in India. This campaign was launched with an objective to turn the country into a global manufacturing hub. For transforming India into a manufacturing hub, India would need to undertake a planned and structured approach in review manufacturing, gain global leadership and competitive advantage.

Government of India launched Make in India as an innovative national program designed to promote investment, bring up innovation, enhance skill development and build best in class manufacturing infrastructure in the country. Attracting investments from across the globe and strengthening India’s manufacturing sector is one of the primary objectives of this initiative. This campaign is being managed by the Department of Industrial Policy and Promotion



(DIPP), Ministry of Commerce and Industry, Government of India.

The Make in India program is a new paradigm for socio-economic growth of India as it aims at allocating and utilizing the existing Indian talent base, empowering secondary and tertiary sector and creating opportunities for employment. Improving India's rank on the Ease of Doing Business index is another aim of this program, and this aim can be fulfilled only by removing the unnecessary laws and regulations, making the government more transparent, responsive and accountable.

II. THINGS SHOWING SUCCESS OF 'MAKE IN INDIA':

FDI Rising

The Ministry of Commerce & Industry gave the report from October 2014 to June 2015, the total FDI inflow to India was around US\$ 26 Billion that shows about 40% rise a year ago.

Industrial Production

As per the official data, India's industrial production between October 2014 & June 2015 attained an average increment of 2.7% year-over-year. Again during the last year 2015, the manufacturing sector of India grew remarkably by 12.6%.

According to the UNCTAD World Investment Report 2015, in respect of attracting FDI in the year 2014 India attain 9th position, rising from the 15th position in the year 2013. And, in the year 2015 India come up as the top investment destination in the world.

Expanding Indian Economy

During the financial year 2015-16 the annual growth rate of Indian economy has been estimated at 7.6% by

the government of India, as compared with 7.2% in the previous financial year. It has been noticed that after the launch of 'Make in India' initiative, India fast gained eminence in the global economy from IMF, World Bank as being the brightest spot, and many global institutions, in respect of FDI.

III. OBJECTIVES OF THE STUDY:

- To study the role of Make in India campaign 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

IV. MAKE IN INDIA CAMPAIGN MAIN FOCUS AREAS:

The spot light of Make in India program is on the following 25 sectors while creating jobs and skill enhancement.

The following are the major areas:

Automobiles	Food Processing	Renewable Energy
Automobile Components	IT and BPM	Roads and Highways
Aviation	Leather	Space
Biotechnology	Media and Entertainment	Textiles and garments
Chemicals	Mining	Thermal Power



Construction	Oil and Gas	Tourism and Hospitality
Defense manufacturing	Pharmaceuticals	Wellness
Electrical Machinery	Ports	
Electronic Systems	Railways	

V. MAKE IN INDIA-NATIONAL MANUFACTURING POLICY(NMP):

NMP Objectives:

- Promotion regarding investments in the manufacturing sector.
- Make India a centre for both domestic and International markets.
- By the year 2022 increment in share of manufacturing in GDP to 25%.
- To boost up the global competitiveness of India's manufacturing sector.

National Manufacturing Policy-

- NMP initiates in setting up of National Investment and Manufacturing Zones (NIMZs).
- NIMZs would be a fusion of production units, public utilities, logistics, environmental protection mechanism, residential areas and administrative services.

Sectors of Strategic Importance-

- Defense Equipment
- Aerospace
- Ship-building & Repair
- Capital goods & Engineering

Sectors of Basic Inputs-

- Steel
- Mineral Exploration and Development
- Fertilizer
- Cement

Sectors for Depth and Value Addition-

- Automotive
- Electronics
- Drugs and Pharmacy
- Chemical
- Petrochemicals
- Paper

Sectors for Employment Generation-

- Textiles
- Food Processing
- Leather & Leather Goods
- Gems & Jewellery

VI. OBSTACLES IN THE WAY OF MAKE IN INDIA CAMPAIGN:

It has been observed that Make in India campaign is really working fast and receiving warm responses from foreign investors. But to make India manufacturing hub there are various issues before India's Government.

- More improvement in the Ease-of-doing-Business initiative
- Simple tax Environment
- Improvements in the rules regarding Land Acquisition
- Reforms in the Labor Laws
- Improvement in Infrastructure and Logistics
- More Effective and Transparent Administration and Regulation System
- Promotion of SMEs
- Promotion of Innovation
- Gaining Global Competitiveness and Global Leadership.



VII. ANALYSIS OF MAKE IN INDIA PROGRAM:

TOP 10 SECTORS THAT ATTRACTED FOREIGN DIRECT INFLOWS IN INDIA		
SECTORS	2014-15 (US\$ million)	2015-16 (US\$ million)
Services*	4443	6889
Computer Software & Hardware	2296	5904
Trading	2728	3845
Automobile Industry	2726	2527
Chemicals(except fertilizers)	763	1470
Hotel & Tourism	777	1333
Telecommunications	2895	1324
Power	707	869
Drugs & Pharmaceuticals	1498	754
Construction Development	769	113

Source: DIPP

*Services sector includes Financial and Non-Financial Services such as Banking, Insurance, Outsourcing, R&D, Courier, Tech. Testing and Analysis.

It can be observed from above chart that Make in India was framed to promote manufacturing activities in India but it doesn't achieve the success in its objectives.

The data show that during 2015-16, three non-manufacturing sectors such as services, computer software & hardware, and trading are engaged in more than 41.5% of the FDI inflow, whereas core manufacturing sectors such as automobiles, chemicals, power, pharmacy and construction attain only 14% of the FDI.

It has been felt that the government rarely take into consideration labor reforms and policy reforms which are fundamental for the success of the Make in India campaign have not yet been implemented.

VIII. MAKE IN INDIA INITIATIVE:

To make India as the most preferred universal manufacturing destination India needs to take some initiatives regarding,

- Making India the hub to do business
- Abolishing paperwork, processes, procedures, rules & acts
- Using technology to reduce hurdles
- Connecting and integrating Government departments
- Facilitating investment
- Fostering innovation
- Enhancing skill development
- Protecting Intellectual property
- Building best-in-class manufacturing infrastructure.

Recent Developments-

- In January, 2015 the Spice Group would start a mobile phone manufacturing unit in Uttar Pradesh with a capital investment of 500crore.
- Historic Tax Reform: The Goods and services Tax (GST) came into effect across India from July 1, 2017. This has turned all 36 states and union territories of India into one common market. GST have also reduced the cost of local production.
- Digitization Drive: Systems from taxation to incorporating a company are being moved online. A new online system has also make the process efficient for getting construction permits, reducing both the number of



procedures and the time required to get a permit.

- New Insolvency Code: Enacted on May 28, 2016, the Insolvency and Bankruptcy Code 2016 combine all rules and laws relating to insolvency into a single legislation and brings India's Bankruptcy code on universal standards.
- Institutional reforms: The PM's Jan Dhan Yojna is a financial inclusion program that makes services like banking, remuneration and insurance available to every Indian at reasonable cost.
- Radical Changes in FDI Policy Regime: FDI liberalization in 87 policy areas across 21 sectors in paying off. On June 20, 2016, government of India radically liberalized the FDI regime.
- Infrastructure Push: Programs to build infrastructure and connect India in moving on stage.
- Technology Readiness: More than 100,000 Gram Panchayats or village Councils now has entered into high-speed broadband, thanks to Government of India's BharatNet project.
- Renewable Energy: India is world #4 in terms of installed solar power from wind, and World #6 in terms of installed solar power capacity. The Government of India has set a purposeful target to install 175 GW renewable power capacities by the end of 2022.
- In 2016 Shiv Kumar Rungta president FTAPCCI stressed on key sectors like services mainly Information technology (IT), Mechanization of Agriculture sector for achieving increased productivity among others for the success of make in India.

IX. FOUR PILLARS OF 'MAKE IN INDIA':

Make in India initiative is based on four pillars, which have been identified to give boost to entrepreneurship in India, not only in manufacturing but also other sectors. The logo of 'Make in India' – a lion made of

gear wheels – itself reflects the integral role of manufacturing in government's vision and national development. The initiative is built on four pillars which are as follows:

1. New Processes:

The government introduced several reforms to create possibilities for getting Foreign Direct Investment (FDI) and encourage business partnerships. Some initiatives have already been undertaken to modify the business environment from obsolete policies and regulations. This reform is also related with standards of World Bank's 'Ease of Doing Business' index to improve India's ranking on it.

2. New Infrastructure:

Infrastructure is essential to the growth of any industry. The government plans to develop industrial corridors and build smart cities with state-of-the-art technology and high-speed communication. Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being addressed.

3. New Sectors:

'Make in India' has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal. The Government has allowed 100% FDI in Railway and removed restrictions in Construction.

4. New Mindset:

Government in India has always been seen as a regulator and not a coordinator. These initiatives aspire to change this by bringing a prototype shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector.



CONCLUSION

India has that capability to push the GDP to 25% in coming years. The government of India has taken immense steps to encourage investment and to improve further business climate. “Make in India” mission is long run initiative which will fulfill the dream of transforming India into manufacturing Hub. Start-ups in the core manufacturing sectors are self-possessed 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, financial technology modules and mobile internet have tremendous potential to succeed in the scheme of ‘Make in India’.

Make in India campaign also focuses on producing products with zero defects and zero effects on environment. Come Make in India, Come Manufacture in India, Sell in any country of the world but manufacture here. We have got skill, talent, discipline and determination to do something.

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