

Make in India :A Step for Development

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ABSTRACT :

Make in India is a biggest initiative of our Prime Minister Narendra Modi. It has been started under the Ministry of Commerce and Industry. Under this initiative, India has to promote India's reputation at the international level through providing economic reforms. The main objective of Make in India is to make our India economically stronger. This research paper mainly focuses on study of Make in India. This paper is divided into four sections. The cornerstone of Make in India has been mentioned in the first Section. second section deals with reasons that why this programme initiated and the third section highlighted the failures and successes of Make in India. The extent to which the Make In India campaign has succeeded in this paper has also been mentioned. Through this paper, those aspects have been examined which make In-India are proving to be obstructed in reaching its goals. Suggestions have been made for the success of Make in India program.

KEYWORDS : - Make in India, Manufacturing Hub, Investment, FDI, GDP, Infrastructure

INTRODUCTION : -

The political framework was changed in 2014 when Modi became the 15th prime minister of India after the United Progressive Alliance government. In 2014, the National Democratic Alliance government came into existence and the popular leader Modi was appointed as the Prime Minister of India. Under the leadership of Modi, various programs came into picture to make India's economy more stronger. Modi has started number of economic campaigns for India's economic development, Stand Up India, Start Up India and Make in India are some of them etc. and Make in India initiative is one of them which mainly emphasis on India's economy and India's growth of Employment.

OBJECTIVES : -

- To study the objectives of Make in India Initiative.
- To evaluate the success of Make in India Initiative.
- To identify the failures of Make in India Initiative.

METHODOLOGY:

The presented paper is based on the descriptive method. The compilation of the necessary facts for the presented paper has been obtained from secondary sources such as newspapers, e-journals and RBI Annual Report.

Make In India : Meaning and Concept

Make in India is the major governmental programme of India, started on 25 September 2014 by the BJP Government led by Narendra Modi. Modi introduced the programme on the occasion of India's 75th Independence Day (15 August 2014) and said that, "I want to tell the people of the whole world: Come, make in India. Come and manufacture in India. Go and sell in any country of the world, but manufacture here. We have skill, talent, discipline and the desire to do something. We want to give the world an opportunity that come make in India,"¹ It is clear that, Make in India is not only an inspirational slogan for India but also it inspires us to improve the policies and procedures related to the industries. This is a revolutionary change in the field of business through which the business industry can be facilitated.² The Make in India campaign was created by Wieden + Kennedy Group, who had earlier work for the Incredible India and the Indian Air Force Campaign. An elegant lion is a logo of the Make in India campaign, inspired by the national symbol of India. This logo is designed to represent India's success in all areas, in which the wheel reflects peaceful progress and vitality, which directs the path from the past to the vibrant future of India. This lion stands for strength, courage, tenacity and wisdom - values.³

Make in India campaign is based on 25 Sectors of economy. These are as follows –

Make in India : Sectors : -

Automobile	Automobile Components	Aviation	Biotechnology	Chemicals
Construction	Defense Manufacturing	Electrical Machinery	Electronic Systems	Food Processing
IT and BPM	Leather	Media and Entertainment	Mining	Oil and Gas
Pharmaceuticals	Ports and Shipping	Railways	Renewable Energy	Roads and Highways
Space	Textiles and	Thermal Power	Tourism and	Wellness

	Garments		Hospitality	
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Source: <http://www.makeinindia.com/sectors>

Major pillars of Make in India

Make in India is primarily based on four pillars through which entrepreneurship will be promoted in India, it is important not only for manufacturing but also for other areas. The Defence minister Nirmala Sitaraman spoke about these four pillars of Make in India in Lok Sabha. She said, “Make in India initiative focuses on four key areas to promote manufacturing and entrepreneurship viz. Policy Initiatives & New Processes; Robust Infrastructure; Focus Sectors; New Mind-set/Approach”.⁴

The four main pillars of Make in India are as follows.

1. **New Processes** : Recognizing facilitation in doing business through first pillar, which will result in simplifying the business environment. The government has initiated many programs in this direction.
2. **New Infrastructure** : Through this initiative the government of India, is developing Industrial corridors, smart cities and world-class infrastructure by providing new technical and speed-driven communication. It is extremely important to identify skills for the industry and workforce should be developed as a whole.
3. **New Sectors** : Through this pillar foreign direct investment has been opened at a macro level in defense production, medical equipment, insurance and railway infrastructure. etc.
4. **New Mindset** : The Government is working with the aim of adopting a new trend through this initiative. It will work as a facilitator in India's economic development to engage the industrial world.⁵

Why this programme initiated by the Modi's Government.

Economic Growth is a major priority of Modi's Government. In International Politics, a country can perform well only if its economy is strong. This is the main reason why Modi is focusing on economic growth of India. some of the major purposes of this program are to:

- Making India as a Manufacturing Hub Etc.⁶

- Increase manufacturing's share in the country's GDP from 16 percent to 25 percent by 2022
- Create 100 million jobs.⁷
- Modi government also started Make in India because, as the products produced by China in Indian markets were expanding, make in India was a favorable option to stop the expansion of Chinese products.

Make in India : Vision

Under this campaign, the manufacturing industry has to increase National Gross Domestic Product and the purpose of this campaign is to develop this product to contribute 25% of it to the Country, as other developing nations do. Some important thoughts of Modi regarding this project are:

- We do not want to see any company or enterprise leaving India due to any business constraint.
- FDI is a responsibility for the people and an opportunity for global investors; FDI for Indians should be “First Develop India” and Foreign Direct Investment for the investors⁸

Inaugurating the week of Make in India, Prime Minister Modi said, “We are working aggressively towards making India a Global manufacturing hub. We want a share of manufacturing in our GDP to go up to 25% in the near future. We were also aware that under the pressure of this campaign that government machinery will be required to make a number of corrections on the policy front. We are committed to making India an easy place to do business.”⁹ Make in India has been supported by many experts. They are in support of Make in India , according to “Alain Spohr, Managing Director, India & South Asia, Alstom shares, "The Government’s visionary Make-in-India programme brought together businesses and consumers towards a common goal of nation-building. This added to the Prime Minister’s push to simplify investments and procurements in the country enabled most sectors to create business opportunities within the country and even attract international businesses. India’s rank in the ease of doing business was an affirmation of this very change. Not only did this create a momentum in the creation of jobs, but also brought the focus back to the need to bridge the gap between the skill imparted in college vis-à-vis that required in the market. We see the Government’s Skill India initiative working to bridge this gap in partnership with private players. Public-Private Partnership is the most effective tool to empower such movements and Alstom has been committed to supporting both these Government

initiatives."¹⁰ Make in India represents the changes in the mindset of government and also a good initiative against financial problems of the country with Defence, Hardware, Health care and agro-industries, Electronics, Construction, as their top priorities of industries. As a result, India could make manufacturing nation. Defence Minister Nirmala Sitharaman has been playing an important role to make this project successful. Mnister Sitharaman is trying to improve defense sector under this project.

Make in India : Success and Failure

The successes and failures of Make in India can be found on the following grounds. Make in India is successful on the following grounds:

I. Foreign Direct Investment : The main purpose of Make in India is to increase the Gross Domestic Product and to increase Foreign Direct Investment. As shown in the Annual Report of the Reserve Bank of India, there is an increase in FDI, which reflects success at one level in Make in India. This is clear from the table shown below -

FOREIGN DIRECT INVESTMENT FLOWS TO INDIA
(US\$ million)

Source/Industry	2014-15	2015-16	2016-17	2017-18
Total FDI	24,748	36,068	36,317	37,366

Source : RBI¹¹

II. Ease of Doing Business : According to World Bank's Ease of Doing Business Index Report, India has progressed 23 points and has made its place at 77 places. While India's position in 2017 was 100 in 190 countries¹² and World Bank appreciated India for this achievement.

III. Sector specific achievements

*1. Aerospace & Defence, 2. Aviation, 3. Basic Metals and Cement, 4. Biotechnology, 5. Capital Goods & Automotive, 6. Chemical and Petrochemicals, 7. Food Processing, 8. Gems and Jewellery, 9. ICTE Manufacturing, 10. Leather & Leather Products, 11. Media and Entertainment, 12. MSME, 13. New and Renewable Energy, 14. Oil & Gas, 15. Pharmaceuticals, 16. Ports & Shipping, 17. Power, 18. Railways, 19. Skill Development, 20. Textiles and Apparel, 21. Tourism*¹³

To make this program successful, it is necessary to build relationships with other countries of the world and to focus on the qualities of its products. Partnership with foreign companies (e.g. Japanese and Chinese company etc.) is very important for Indian companies,

and Indian companies must have favorable environment for this project.¹⁴ It is important to attract foreign investors to invest in India. To make sense of success in Make in India, it has also been said that Make in India has completely changed the periphery of the Indian market. In present time we are looking for a lot of Indian products. Because Make in India has developed trust in global customers to use Indian products. In fact, this is the highest ever and fastest growing initiative of the government.¹⁵

Deals under Make in India Initiatives

- In order to make this Campaign successful, the Prime Minister of India traveled to abroad, with the purpose of promoting this Make In India initiative and to renew with the help of foreign investors, and with this aim, agreement has been done with different countries. Some of them are, Japan's ShinMaywa Industries offered to set up a US-2 aircraft plant in India. This is an ambitious project of India. This all was possible only because of our Prime Minister Modi's visit to Japan.¹⁶
- On International level besides Japan, America has also shown up a particular interest in this India's campaign. As, America's aerospace and defense company Lockheed Martin agreed to create F-16 Jets under the make in India campaign in India and the Chief Executive Officer of this company Shaw said , "We are ready to manufacture F-16 in India and support the Make in India initiative,"¹⁷

Failures of Make in India

Make in India has not been a completely successful project until now. It is necessary to improve the domestic reforms in India, which automatically will improve business environment and will reduce costs. The failure in the Make in India Defense Sector means that the agreement with many countries has not yet fully succeeded. Make-in-India at defense level has not been fully successful as a project. Make-in-India at military level is not able to succeed completely without having sufficient amount of money available. In 2018 to 2019, fund allocation for modernization was inadequate for Make in India and for other projects.¹⁸ Government has removed the barriers to most foreign direct investments for economic reforms. But due to monetization and domestic gross product reforms, some foreign investors have felt uncertain for investing in India.¹⁹ There have been many types of problems arising under Make in India which are responsible to make this program unsuccessful. Scholars of economics believed that due to the stringent land surrender law and labor law in India, it is

difficult to attract foreign investors to invest in India. The project is also failing due to lack of support from local manufacturers. CUNY workers are not fully supportive for our industries. As a result, the government is deprived of the target of providing employment to the youth.²⁰

From Make in India to Make in India 2.0

According to Economic Survey of 2018, the main areas of development have been described in Make in India 2.0 . Economic Survey 2018 stated that Make In India 2.0 will emphasis on 10 champion areas in order to make “Make In India” more affective. It will promote development and generate employment opportunities in manufacturing sectors, including auto, Capital goods, auto, defense, pharma and renewable energy and other sectors. It also includes Chemicals, Biotechnology, Germs and Jewellery, Textiles, electronic system design and manufacturing, leather, food processing, construction, shipping and railways.²¹

Conclusion with Suggestions : -

- On the basis of the above description we can conclude that, the main purpose of Make India is to empower India financially, but this program has not been successful yet if Modi Government really want to improve India on the national level, then it will have to gain greater faith of foreign investment only then India can become a Manufacturing Hub. After four years of Modi’s Government, these programs have not yet been fully successful and India needs time and the trust of foreign investments to make this program successful. Make in India is mostly emphasis in urban areas but there is a need to provide better opportunities in the rural areas also. Under the Make in India, the youth is still deprived of employment. The government has to make some more efforts in this direction. The emphasis was on providing strength to the military sectors through Make in India but due to lack of adequate budget, India has not been fully developed in this area and today there is a need to improve the military sector. In front of Make in India there are many challenges that restricts foreign countries for investing in India, Such as rising violence in some states and some backward areas of other states of India. Therefore, It is necessary to remove these problems from the country to make this initiative successful.

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