

MAKE IN INDIA: A STEP TOWARDS TRANSFORMING INDIA

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ABSTRACT:

Development has transferred when Prime Minister Narendra Modi launched the “Make in India” programme to boost the Indian manufacturing industries. The revival of manufacturing sector is a key objective and identifying this sector as the engine of long-run growth. “Make in India” is now a flagship initiative not to mention a catchy campaign. The programme lays emphasis on 25 sectors with focus on job creation and skill enhancement. Skilled manpower is expected to fuel not just the Indian economy but that of other countries who could take advantage of India's demographic dividend and skilled work force. This will help in creating jobs for over 10 million people, who join the workforce every year. The objective of this programme is to build India a strong nation with effective and efficient resources. These all will attract the foreign investors to make large investment in India. But there are many obstacles in the way of Make in India programme. The government should remove all there obstacle to make this programme a grand success. The programme opening the investment door for domestic investors this step help make in India world most powerful economy and help in development also.

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INTRODUCTION:-

The world economy is fast changing and recovering from an extended slowdown with the key of economic groups including the USA and BRICS countries. China and Russia facing challenges in manufacturing with rising wages and increasing the cost of production that goes on losing its cost advantages, where Japan and USA are reclaiming their share of global factor cost and rising productivity. India suffers from some critical drawbacks like lack of an enabling infrastructure poor perception of India in terms of Ease of Doing Business and lack of proven ability to compete at a global scale. India's long terms prospects remain intact with its core strength of human resources and strong base of entrepreneur's re-boost the growing demand. The overall outlook is positive with the across industries economic growth. But the theme of development has transferred when Prime Minister Narendra Modi launched the Make in India programme to boost the Indian manufacturing industries. The revival of manufacturing sector is a key objective and identifying this sector as the engine of long-run growth. "Make in India" is now a flagship initiative not to mention a catchy campaign. The programme lays emphasis on 25 sectors with focus on job creation and skill enhancement. These include: automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, pharmaceuticals and electronics among others. Six Industrial Corridors are being developed across various regions of the country. Industrial cities will also come up along these corridors and development will take place.

ORIGIN AND INTERLINK CONCEPT:-

Early development thinking, exemplified most famous in the two-sector model of Lewis (1954) was fixated on the idea of sectoral transformation moving resources from the agricultural/traditional sector to the manufacturing/ non-traditional sector. There was never any doubt about the hierarchy and hence no doubt about the desirability of the structural transformation. Although development thinking over the last two decades has moved away from discussions about sectoral transformation and towards a more explicit growth perspective, the importance of structural transformation is starting to be rehabilitated but without abandoning the growth perspective. There are two gains to shifting resources from the traditional to the new sectors: first, a compositional gain, which is a gain in economy-wide productivity achieved by shifting the weight of the economy from low to high productivity sectors; second, a subsequent

dynamic gain as these resources experience rapid productivity growth. Once this chain process gets started development should take place in all sectors. The make in India programme focus on all sectors but in a changeable context. The main pillar of the programme is as follow:-

The “FDI” should be understood as “**First Develop India**” along with Foreign Direct Investment”. The investors give the opportunities to increases investment in all sectors for profit and development which create market for domestic goods. To benefiting investors it is important to increase the purchasing power of common man; this would further boost demand, and hence spur development. The people are faster pulled out of poverty and brought into the middle class, the more opportunity will there be for global business and investors from abroad need to create jobs. More employment means more purchasing power. Development and growth oriented employment is the government`s responsibility. For this various concepts were launched by government to under Make in India programme.

“**SKILL INDIA**” - a multi-skill development programme has been initiated with a mission for job creation and entrepreneurship for all socio-economic classes. It endeavors to establish an international equivalent of the Indian framework on skill development, creating workforce mobility and enhancing youth employability. The new government has to take initiatives for skill development to ensure that skilled manpower will make available for manufacturing.

“**DIGITAL INDIA**” is another initiative of government of India to integrate the government departments and the people of India and to ensure effective governance. It also aims at ensuring government services made available to citizens electronically by reducing paperwork. The initiative also includes plan to connect rural areas under high-speed internet networks. All these initiatives open up numerous opportunities for investments across various sectors, including infrastructure. The Digital India Mission would ensure that government processes remained in tune with corporate processes. The project aims to provide thrust to nine pillars identified as growth areas. These include broadband highways, everywhere mobile connectivity, Public Internet Access programme, e-governance, e-kranti (which aims to give electronic delivery of services), information for all, electronics manufacturing, IT for jobs and early harvest programmes. Under the Digital India programme, all central government ministries and departments will come up with their individual projects that can be delivered to public using ICT like health services, education, judicial services, etc. Government will prefer to adopt public private partnerships (PPP) wherever feasible for rolling out the programme.

The “**INVESTMENT OPPORTUNITIES IN INDIA**” includes various opportunities in roads and highways, ports and shipping, civil aviation, power and other major infrastructure development projects. The infrastructure of the future including i-ways besides highways and mentioned port led development, optical fibre networks, gas grids and water grids. India’s business community in the last few years face many obstacles due to lack of clarity on policy issues. Now no Indian business should feel a compulsion to leave the country under any circumstances and the gloom has lifted. This helps the whole country to go from being a third world country to a developed one. The campaign wants to increase the contribution of the Manufacturing sector to the overall GDP of the country. India's GDP in 2013 had 56.9% contribution by the Services sector while Manufacturing contributed only 15%. The problem with the greater percentage of Services is that this industry in India produces far less jobs. The project seeks to create a strong economic development with a global competitive environment and state of the art infrastructure to activate local commerce enhancement of investment and attain sustainable development. The project aspires to double employment potential, triple industrial output and quadruple exports from the region in short span

OBJECTIVE OF THE CAMPAIGN:

To start the movement there is a need strategy that inspires, empowers and enables in equal measures adopted to develop the world largest democracy. The objective of the campaign is to get manufacturing sector to grow over 10% on a sustainable basis over a long run and no specific concessions have been offered to foreign investors. The campaign is for transform the economy from the services-driven growth model to labour-intensive manufacturing-driven growth. The aim of project is to build India as an investment destination and develop the market of India as a leading manufacturing destination and a hub for design and information.

The programme radically improves the Ease of Doing Business, open the FDI regime, improve the quality of infrastructure and make India a globally competitive manufacturing destination. The Government has taken a number of steps to improve ease of doing business. An online single window in the form of the e Biz Mission Mode Project under the National e Governance Plan has been launched. It aims to create a business and investor friendly ecosystem in India by making all business and investment related regulatory services across Central, State and local governments available on a single portal. The process of applying for Industrial

License & Industrial Entrepreneur Memorandum made online on 24X7 basis through e Biz Portal. Validity of Industrial License has been extended from two years to three years.

Major components of Defence product's list have been excluded from industrial licensing and dual use items having military as well as civilian applications have been deregulated. Services have been identified to be integrated with e Biz platform on priority and the process of registration with Employees Provident Fund Organization and Employees State Insurance Corporation has been made online. A Unified labour web portal has been developed to facilitate filing of a single annual online return. Ministry of Labour and Employment has also launched a random Labour Inspection Scheme to bring in more transparency and accountability. The scheme will also promote the Rural India Skills Mark (RISM) as a globally recognized stamp of quality. Skilled manpower is expected to fuel not just the Indian economy but that of other countries who could take advantage of India's demographic dividend and skilled work force. This will help in creating jobs for over 10 million people, who join the workforce every year. The objective of this programme is to build India a strong nation with effective and efficient resources.

FUTURE DEVELOPMENT PLANS TO "MAKE IN INDIA" SUCCESSFUL:-

The need to raise the global competitiveness of the Indian manufacturing sector is imperative for the country's long term-growth. The National Manufacturing Policy is by far the most comprehensive and significant policy initiative taken by the Government. The policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector. An increase in manufacturing sector growth to 12-14% per annum over the medium term and increase in the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022. Efforts should be made to increase 100 million additional jobs by 2022 in manufacturing sector.

The appropriate skill help to create the sets of objectives for rural migrants and urban poor's this will help in inclusive growth. It will increase in domestic value addition and technological depth of manufacturing sector. Policy enhances the global competitiveness of the Indian manufacturing sector and ensuring sustainability of growth, particularly with regard to

environment. India has already marked its presence as one of the fastest growing economies of the world. The country is expected to rank amongst the world's top three growth economies and amongst the top three manufacturing destinations by 2020. The major sector those are develop under make in India programme few of these are as following.

AVIATION: India is one the fastest growing aviation market and currently the ninth largest civil aviation market in the world and projected to be the 3rd largest aviation market by 2020. The development of five international airports (Delhi, Mumbai, Cochin, Hyderabad, Bengaluru) have been completed successfully under PPP mode, greater focus on infrastructure development; increasing liberalization Open Sky Policy, AAI driving modernization of airports, Air and Navigation Systems. The Airports Authority of India is responsible for developing, financing, operating, and maintaining all public sector airports. New airports are permitted under the Greenfield Airport Policy 2008. Investment in airports is encouraged under the Public Private Partnership Policy of the Government of India. Regional Air Connectivity Policy offers attractive incentives in the form of exemption of landing, parking and navigation fees to airlines operating at designated airports in non-metro areas. India plans to increase the number of operational airports to 250 by the year 2030.

AUTOMOTIVE: India is the seventh-largest producer in the world with an average annual production of 17.5 Million vehicles and 4th largest automotive market by volume, by 2015. The automotive sector contributes 7% of the country's GDP by volume and 6 Million-plus vehicles to be sold annually, by 2020. By 2015, India is expected to be the fourth largest automotive market by volume in the world. Over the next 20 years, India will be a part of the big global automotive triumvirate. India is one the fastest growing aviation markets and currently the ninth largest civil aviation market in the world. India is projected to be the 3rd largest aviation manufacturing hubs across the country by 2020.

BIO TECHONOLGY: India is amongst the top 12 biotech destinations in the world and rank third in the Asia-Pacific region. India has the second-highest number of USFDA approved plants, after the USA. India adopted the product patent regime in 2005. The sector has seen high growth with a CAGR in excess of 20% and the key drivers for growth in the biotech sector are increasing investments, outsourcing activities, exports and the government's focus on the sector.

A strong pool of scientists and engineers were discovered which have cost-effective manufacturing capabilities. The setting up of national research laboratories, centre's of academic excellence in biosciences, several medical colleges, educational and training institutes offering degrees and diplomas in biotechnology, bio-informatics and biological sciences. Global companies were looking to economies, outsourcing to lower cost economies results in a cost arbitrage of more than 50% and fast-developing clinical capabilities with the country becoming a popular destination for clinical trials, contract research and manufacturing activities. The research with human stem cells is conducted in a responsible, ethical manner and complies with all regulatory requirements pertaining to biomedical research in general and of stem cell research in particular. The sector has been growing with the help of PPP.

CHEMICALS: India is the third largest producer of chemicals in Asia and sixth by output, in the world. The chemicals industry is a key constituent of the Indian economy, accounting for about 2.11% of the nation's GDP. India is currently the world's third largest consumer of polymers and third largest producer of agro-chemicals. The present immense growth opportunities in industrial sector e.g polymers and agro-chemicals depend upon the world's source of petrochemical feedstock and government support through R&D. A large population, dependence on agriculture, and strong export demand are key growth drivers for the industry. Chemical Industries in India is lower as compared to western countries Make in India programme shift Asia as world's chemicals manufacturing hub which contribute in per capita consumption of chemicals. That rise in GDP and purchasing power generates huge growth potential for the domestic market which focuses on new segments such as specialty and knowledge chemicals. Low-cost manufacturing, skilled science professionals and World-class engineering and strong R&D capabilities were promoted to contribute in development.

CONSTRUCTION: The construction industry in India has seen sustained demand from the industrial and real estate sector. The Indian government has undertaken a number of measures to ease access to funding for the sector. Construction activities contribute more than 10% of India's GDP. USD 650 Billion investments in urban infrastructure estimated over next 20 years. 100% FDI permitted through the automatic route for townships, cities. 10% of India's GDP is based on construction activity. An estimated USD 650 Billion will be required for urban infrastructure over the next 20 years. India has an estimated urban housing shortage of 18.8

Million dwelling units. The housing shortage in rural India is estimated at 47.4 Million units, in 2012. Present levels of urban infrastructure are inadequate to meet the demands of the existing urban population. There is need for re-generation of urban areas in existing cities and the creation of new, inclusive smart cities to meet the demands of increasing population and migration from rural to urban areas. Future cities of India will require smart real estate and urban infrastructure. The Government of India is in the process of launching a new urban development mission. This will help to develop 500 cities, which include cities with a population of more than 100,000 and some cities of religious and tourist importance. These cities will be supported and encouraged to operate private capital and expertise through PPPs, to holster their infrastructure and services in the next 10 years. To provide quality urban services on a sustainable basis in Indian cities, the need of the hour is that urban local bodies enter into partnership agreements with foreign players, either through joint ventures, private sector partners or through other models.

DEFENCE MANUFACTURE: India's current requirements on defence are catered largely by imports. The opening of the strategic defence sector for private sector participation will help foreign original equipment manufacturers to enter into strategic partnerships with Indian companies and leverage the domestic markets and also aim at global business. Besides helping build domestic capabilities, this will support exports in the long term. Opportunities to avail defence offset obligation to the tune of approximately INR 250 Billion during the next 7-8 years. The offset policy introduced in the capital purchase agreements with foreign defence players would ensure that an eco-system of suppliers is built domestically. The government makes policy of promoting self-reliance, indigenization, technology up gradation and achieving economies of scale and developing capabilities for exports in the defence sector. India's extensive modernization plans, growing attractiveness in defence sourcing hub which increased focus on homeland security. The defence security manual for the private sector defence manufacturing units have been finalized and put in public domain by the Department of Defence Production. The manual clarifies the security architecture required to be put in place by the industry while undertaking sensitive defence equipments. The MAKE procedure aims to promote R&D in the industry with support from the government and the placement of orders, is also being revised to make it more attractive and unambiguous for the private sector.

SMART CITIES: The Make in India program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure. India's manufacturing infrastructure and capacity for innovation is poised for phenomenal growth new smart cities and industrial clusters, being developed in identified industrial corridors having connectivity, new youth-focused programs and institutions dedicated to developing specialized skills. Stimulating on developing Industrial Corridors and Smart Cities and a new 'National Industrial Corridor Development Authority' is being created to coordinate, integrate, monitor and supervise development of all Industrial Corridors. The technologies have been developed to promote the sustainable cities and integrated townships and green building solution through FDI.

CHALLENGES AHEAD ON PATH OF MAKE IN INDIA PROGRAMME:

Creating healthy business environment will be possible only when the administrative machinery becomes efficient. India has been very strict when it comes to procedural and regulatory clearances. A business-friendly environment will be created if India can signal easier approval of projects and set up hassle-free clearance mechanism.

India should also be ready to tackle elements that adversely affect competitiveness of manufacturing. To make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country.

India's small and medium-sized industries can play a big role to makes the country the next big jump in manufacturing. India should be more focused towards novelty and innovation for these sectors. The government has to chart out plans to give special sops and privileges to these sectors.

India's "Make in India" campaign will be constantly compared with China's 'Made in China' campaign. The dragon launched the campaign at the same day as India seeking to retain its manufacturing skill. India should constantly keep up its strength so as to outpace China's supremacy in the manufacturing sector.

India must also encourage high-tech imports, research and development (R&D) to upgrade 'Make in India' give edge-to-edge competition to the Chinese counterpart's campaign. To

do so, India has to be better prepared and motivated to do world class R&D. The government must ensure that it will provide platform for such research and development.

“Make in India” which has occupied all the prominence, is an important goal of skilling India with skilled manpower. But in India where unlimited supplies of labor are exits and that are unskilled. We should make efforts to skilled the labour first and provide the conditions to ensure that its existing unlimited supplies of unskilled labors become utilizable. Or, it can make sure that the currently inelastic supply of skilled labor is made more elastic. Both are major challenges. The future trajectory of Indian economic development could depend on both.

CONCLUSION:-

The Make in India is a major step to make India a faster developing country and world largest economy. The main purpose of the programme is to make India a manufacturing hub with skilled manpower. This will help to create a large number of job opportunities and raise the living standard of poor's. The Skill India will produce the skilled manpower for various industries and Digital India is another important initiative to integrate the entire government department. Various sectors are opened for FDI. The procedural and regulatory system is made easy. Many relaxations are given to those companies who set up as a unit in India. The e-Biz Mission made project has been launched to create an investors friendly eco system in India. These all will attract the foreign investors to make large investment in India. But there are many obstacles in the way of Make in India programme. The government should remove all there obstacle to make this programme a grand success. Thus all will be possible only when the administrative machinery becomes efficient. A good start has been made with the government announcing its intent and making a few small yet important changes to improve manufacturing sectors. The next year is crucial to implementing the announcements well and seizing the opportunities to make the right investments at a company level. The programme opening the investment door for domestic investors this step help make in India world most powerful economy and help in development also.

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