

## **MAKE IN INDIA : OPPORUNITIES,CHALLANGES AND ITS IMPACT**

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### **Abstract :**

Make in India is an excellent idea of international marketing strategy. It was initiated by Prime Minister Narendra Modi on 25th September, 2014 to attract FDI and encourage companies around the world to manufacture their products in India for making the country a global Manufacturing Hub. The main objective of this movement is to create such an environment to attract global producers and investors to increase GDP from 16% to 25% by 2022 as stated in national manufacturing policy and create 100 million manufacturing jobs by 2022. The prime objective of the scheme is to focus on 25 sectors of the Indian economy based on four pillars i.e. new processes, new infrastructure, new sectors and new mindset for job creation and skill development. It is a systematic scheme for revitalization of Indian economy and pulling it back from the clutches of earlier recession. This paper intends to study about the make in India programme, its opportunities, challenges and its impact for transforming the Indian economy. If implemented effectively Make in India campaign will surely make India an investment destination and a global hub for manufacturing and innovation.

### **Key words :**

Make in India, Gross domestic Product, FDI, job creation, skill development, LPG, MDG's.

### **Introduction :**

The Indian constitution is a systematic programme for transforming Indian caste-based society into an egalitarian society based on equal opportunity to all irrespective of caste, race or religion. The United Millennium Development Goals (MDG's) also aim at inclusive and sustainable development of the world. The fundamental MDG's are eradication of poverty, hunger, empowerment of poor and environmental sustainability. The Government of India has adopted new economic policy i.e. the Liberalization, Privatization and Globalization (LPG) in 1990. In addition to this, Prime Minister Narendra Modi introduced on 25th September, 2014 a new international marketing policy which is well-known as "Make in India". It is initiated to attract investments from global investors and encourage companies around the world to establish their undertakings in India to manufacture their products in India to make Bharat a global manufacturing hub. The objective of a scheme is to increase GDP from 16% to 25% in the next 5 years and also to create 100 million manufacturing jobs over the same period. This scheme focuses on

25 sectors such as automobiles, textiles and Garments, construction, Roads and Highways, automobile components, Mining, railways, Ports, IT and BPM, Defence manufacturing, Food processing, Biotechnology, Pharmaceuticals, chemicals, leather, Renewal energy, Electronic systems, Thermal power, electrical Machinery, Space, Aviation, Oil and Gas, Wellness tourism and hospitability, Media and Entertainment etc., alongwith live projects like industrial corridors, FDI policies and details of investor facilitation cell. Thus this campaign is for boosting up Indian manufacturing sector by attracting companies from around the globe to generate large employment, increase trade, commerce and spur economic growth.

Make in India campaign should play a key role in improving socio-economic imbalance exist in India.

The largest Indian Masses live in villages, slums in cities and are poor, hence their upliftment and empowerment is the need of the hour. As per HDR (Human Development Report) 2014, India's HDI (Human Development Index) status is 135 out of 187 countries of the world regarding three basic parameters such as income, health and education. The socio-economic distance between the rich man and poor man in India should be decreased. Therefore, Make in India campaign should be moulded effectively by the Government for the betterment and sustainable all round socio-economic transformation of India as world super power.

#### **Definition of 'Make in India' :**

'Make in India' is "an international market campaign initiated by Prime Minister of India to attract business from all over the world to come, and manufacture in India and sell in the world with a view to create employment in India". The logo of "Make in India" depicts a "Lion" which refers to "King of forest". In the same way, India can become "King in manufacturing sector" by converting herself to a self-reliant and self contained country to give it a global recognition.

#### **Objectives of the study :**

1. To know the role of Make in India.
2. To understand and study challenges, opportunities and impact of Make in India.
3. To suggest remedies for improvement in Make in India campaign.

#### **Methodology :**

This study is based on the analysis of the secondary data published in the books, magazines and various websites.

#### **Review of Literature :**

There are various articles written on "Make in India" form their view for the purpose of this paper. Make in India eliminates unnecessary laws and regulations.

Mr. Suresh babu, in The Hindu states "Make in India" is too ambitions, spectacularly ill timed and has brought in too many sectors in to its fold.

Entrepreneurs and many industrialist view, Make in India initiative for betterment of our economy. CEO Keshav Murugesh of VNS Global Services group states that "digitization campaign such as digital India, Make in India, creating smart cities and other digitization projects

initiated by the Indian Government in the past one year has been made for the betterment of India".)

**Limitation of the study :**

- 1) This study is based only on the published data and information.
- 2) It considers period only from 25th September 2014 to date.

**Hypothesis :**

For the purpose of this research study following hypothesis is set. "Make in India" campaign has not yet achieved its aims satisfactorily since its inception due to several challenges in front of it."

**Necessity of Make in India :**

- To promote the manufacturing in India by MNCs.
- To attract foreign currency through foreign direct (FDI) investment in India.
- To increase the growth in infrastructure such as Roads, Smart cities, Metro Rail project.
- To increase job opportunities and skill development in various sectors of economy.
- To reduce poverty.

**Opportunities - Make in India. :**

India is a developing country rich in natural resources, plenty skilled and unskilled labour. The 'Make in India' campaign seems to have come at flawless time. Its an opportunity for all. Many giant foreign companies have expressed their interest in setting up their manufacturing units in India. This campaign will open up several opportunity for India youth in the industrial and manufacturing sector.

1. It will give the world an opportunity to come, make in India and sell in India and abroad.
2. It will give an opportunity to Indian Manufactures across industries to push their products in Government facilities.
3. Make in India will generate Millions of employment opportunities and push India on high and sustainable growth.
4. Opportunities in India for
  - Auto and Auto components
  - Banking, financial services and insurance
  - Construction and infrastructure
  - Engineering
  - Healthcare
  - Tourism, Hospitality and Travel.
  - Leadership and Management.

**Impact of Make in India on Indian Economy :**

"Make in India" boosts manufacturing industry, trade, commerce and economy. All Indian products are superior in quality, but they might look a bit less fancy. all Indians should need a wakeup call for consuming Indian made products. Youngsters should start using more Indian websites for online purchases. Make in India as an intellectualized international marketing strategy of humble Prime Minister Narendra Modi appealing foreign investors to come in India. Make in India and sell products anywhere of the globe to create jobs and enhance skills of

labour. It focuses on 25 various sectors of the Indian economy. The Impact of the campaign will be felt both domestically and internationally.

1. According to Economic survey of India (2015-16) FDI has increased drastically to 40% from previous year 2013-14.
2. GDP for 2015-16 is estimated around 7.6% above last two decades of average 7%. Estimated 7.4% in 2016-17 little less than 2015-16 due to Note ban. Increased productivity will lead to more job creation.
3. Unemployment rate would come down to 4.6% in 2020 from current level of 4.9%. Over 10,000 training centers are formed within 2 years. It creates job market for over 10 million people.
4. Investments in all 25 sectors are steadily increasing. This campaign made India top destination globally for FDI, surpassing the USA and China. In 2015 India Record US \$ 63 Billion in FDI.
5. This campaign will increase the purchasing power of people. By the year 2040, 9 out of every 10 Indians will belong to global middle class group with increasing their purchasing power.
6. India is getting response to this campaign from almost all developed and developing countries of the world.

#### **Challenges and issues in front of Make in India campaign :**

The healthy business environment is a key for the success of Make in India campaign. The campaign may face the following issues and challenges.

#### **Land Acquisition :**

As per the existing land laws, acquisition of land is challengeable, complex and costly. The Indian land laws safeguard Land owners rights and create hurdles in acquiring lands for manufacturing, construction, infrastructure, Mining etc. purposes. Hence Land acquisition is a major challenge in front of Make in India campaign.

#### **Skilled manpower :**

India lacks skilled manpower for make in India campaign. It adds 12 million people to its workforce every year. Out of its total workforce, just 4% manpower has ever received any formal training. India's work force readiness is one of the lowest in the world. Moreover India's existing training infrastructure is irrelevant to meet industry needs. While the Government has its task cutout. Hence, willingness of Government is very necessary to act /and take the hard decisions that could help realize the 'Skill India' dream.

#### **Low employability of Graduates :**

The Make in India campaign needs trained and employable workers. The Indian higher education institutes are not producing trained, qualitative graduates who are ready and suitable for their jobs.

#### **Quality of Products/services :**

The MNCs demand high level of quality work. The quality of product/service under make in India scheme should be of 'World class standards'. Hence, it is a challenge to make Indian labour competent to make high quality product through skill development programs.

#### **Retaining Talent :**

Brain Drain is a big issue in front of Indian economy due to several reasons. To make mission "Make in India" more effective and powerful, the talented youth migrated to foreign countries should come back to mother country.

**Rapidly evolving e-commerce market :**

Evolving e-commerce market is a great challenge in front of the make in India campaign. Only 0.3% of Indian retail sales took place online in 2013. However Indian companies such as flip kart and Amazon are developing e-commerce business models. E-commerce market is to play a key role in Make in India Scheme.

**Lack of affordable and quality power :**

As per MCKinsey and company, there is 30% import share in fuel demand, 24% electricity lost in distribution and transmission and 300 million people lack electricity. One third of the Indian population is not connected to any power grid. Consistent, affordable and quality power supply is the great challenge in front of Make in India campaign for its success.

**Unleashing Innovation :**

India lacks the main means of tapping into global knowledge in respect of trade, commerce, FDI, technology, Licensing, copying, reverse engineering, foreign education, training, accessing foreign technical print information etc. through the internet. On all these counts China has been more aggressive and systematic than the India. Innovation is the necessity challenge for the success of Make in India programs.

**Enterprise Specific Performance Requirements (ESPR) :**

Specific enterprise requires specific performance standards. Enterprises under 'Make in India' campaign require to maintain ESPR consistently for their success.

**Gender disparity in the literacy rate :**

It is the salient feature of Indian demography from last so many years. The low female literacy rate has a negative impact on family planning and population stabilization efforts in India. Increasing population with gender disparity in the literacy rate may be a big challenge in front of Make in India scheme.

**Remedies :**

The following remedies are proposed for favourable business environment for the success of Make in India scheme.

1. Improving the employability of engineering and general graduates through skill development.
2. Strengthening the capabilities of the CISF for industrial security.
3. Reducing tax burden by introducing a single nationwide goods and services tax.
4. Reducing corruption through imposing Jan Lokpal Bill stringently.
5. Reducing administrative burden of companies by cutting red tape through online processing options.
6. Overcoming land acquisition issues and synchronizing state and central policies for the same.

**Conclusion :**

India is developing country rich in human and natural resources. "Make in India" campaign is a great opportunity for Indian economy, but at the same time it will pose various challenges for the politicians, administrators and managers; Land acquisition, creating healthy business environment, development of human skills, lack in Research and development, creating labour intensive technology, critical tax laws, increasing competitiveness of Indian Manufactured goods, Brain Drain, evolving e-commerce market, quality of power, unleashing innovation, gender disparity etc., are the several examples of challenges that the Indian Rulers, administrators and corporate managers will face because of the "Make in India" campaign launched by the humble Prime Minister Mr. Narendra Modi. If these challenges are tackled constructively, the all round growth of Indian economy will take a new pace in the globe.

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