

IMPACT OF MAKE IN INDIA IN THE DEVELOPMENT OF THE ECONOMY

^{1} Mrs. Monalisha Sahoo, ² Mr. Bibekananda Mohanty*

¹ Asst. Professor, Dept. of MBA, NIT BBSR,

Asst. Professor, Dept. of MBA, ABIT, Cuttack

*[1*monalishasahoo@thenalanda.com](mailto:monalishasahoo@thenalanda.com), bibekmba@gmail.com*

ABSTRACT

Make in India is an international marketing campaigning slogan coined by the Prime Minister Narendra Modi on 25th September 2014, to encourage the companies around the world to invest and manufacture their products in India. He has launched this ambitious campaign with an objective to turn the country into a global manufacturing hub. To achieve a manufacturing led transformation, India would need to undertake a structured and planned approach in review manufacturing, gain global competitive advantage and gain global leadership.

Key Words: Make, Marketing, plan, Economy.

INTRODUCTION

Make in India is an international marketing campaigning slogan coined by the Prime Minister Narendra Modi on 25th September 2014, to encourage the companies around the world to invest and manufacture their products in India. He has launched this ambitious campaign with an objective to turn the country into a global manufacturing hub. To achieve a manufacturing led transformation, India would need to undertake a structured and planned approach in review manufacturing, gain global competitive advantage and gain global leadership. In order to succeed in this campaign, it was important to be open to capital and expertise from all over the globe and implementation of GST will make India one market and strengthen overall programme. Doing business in India today is much more difficult than elsewhere, but the government wants to change this. Several pressing issues prompted the launch of this campaign. First and foremost is India needs to reboot its economy. After several years of gross national product growth averaging 7.7%, between 2002 and 2011, this pace slowed down to around 5% in 2013 and 2014. Secondly India needs more jobs for its young people. Recently, on an average 5 million new jobs have been created each year, but around 12 million people join the workforce each year. India's

labour force is expected to grow to 600 million by 2022. Job creation will fight poverty and help divert people from agriculture, which has a low capacity to sustain their livelihood. Thirdly, India's economic development model has been quite peculiar, offering privileges to skilled labour often employed by foreign companies. That is why today manufacturing in China makes up 34% of gross domestic product. The Chinese have positioned themselves as the workshop of the world, accounting for 22.4% of global manufacturing while India accounts for only 2%. India's manufacturing sector is less productive compared to its competitors and accounts for only 15% of its GDP. The government has set a target of 25% of GDP by 2022.

NEED FOR THE STUDY

India too needs to develop its infrastructure in order to militate its presence in the global picture and to match the rising demands and the living standards of its citizens. The most easy and important way to keep pace with the environment for a country is to develop its manufacturing sector. When more global and local players will invest in a country, it will boost the trade and economic growth, develop its infrastructure and generate more employment opportunities for its citizens.

OBJECTIVES OF THE STUDY

To study the initiatives taken by Government and its impact on Indian economy

To study the major challenges, opportunities of Make in India initiative.

RESEARCH METHODOLOGY

The present study is based on secondary data. The data has been extracted from various sources like research articles, publications from Ministry of Commerce, Government of India, various bulletins of RBI and authenticated websites.

MAKE IN INDIA CAMPAIGN -MAIN FOCUS AREAS The focus of Make in India programme is on creating jobs and skill enhancement in 25 sectors. The following are the major areas: Automobiles Electronic System Ports and Shipping Automobiles Components Food Processing Railways, Aviation Entertainment Roads and Highways Biotechnology Leather Renewable Energy Chemicals Media and Entertainment Space Construction Mining Textiles and

Garments Defense Manufacturing Oil and Gas Thermal Power Electrical Machinery
Pharmaceuticals Tourism and Hospitality Wellness Information Technology (IT) and Business
Process Manufacturing (BPM)

MAJOR INITIATIVES

MAKE IN INDIA Since years policy-makers have been debating how to give an impetus to manufacturing in India and make India a Global Manufacturing Hub. But it is Narendra Modi, who within a matter of months, launched the ‘Make in India’ campaign to facilitate investment, foster innovation, enhance skill development, protect intellectual property & build best in class manufacturing infrastructure. The “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. **NEW PROCESSES** ‘Make in India’ recognizes ‘ease of doing business’ as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease business environment. The aim is to de-license and de-regulate the industry during the entire life cycle of a business.

NEW INFRASTRUCTURE

Availability of modern and facilitating infrastructure is a very important requirement for the growth of industry. Government intends to develop industrial corridors and smart cities to provide infrastructure based on state-of-the-art technology with modern high-speed communication and integrated logistic arrangements. Existing infrastructure to be strengthened through upgradation of infrastructure in industrial clusters. Innovation and research activities are supported through fast paced registration system and accordingly infrastructure of Intellectual Property Rights registration set-up has been upgraded. The requirement of skills for industry are to be identified and accordingly development of workforce to be taken up.

MAJOR CHALLENGES OF MAKE IN INDIA

India needs funds to build industries, which in turn need infrastructure. This requires more finance which? itself is a major challenge. India’s banking systems are not in a position to lend many funds to industries, unless their balance sheet is cleared. If the government pumps more funds to bank, that leads to less investment in infrastructure. India can start manufacturing in

India, but they cannot create more jobs because robots may take over the? manufacture worldwide and still stay competitive. Vivek Wadhawa, Stanford University fellow who is at the forefront of alerting the world on the robotic threat, that new kind of industrial revolution won't require many humans. We are headed into a jobless future, just think of Google's self driving cars. Many companies like Maruti, Nokia, Ford and Hyndai have had strikes and protests in India at their? manufacturing plants in the past two years alone. India has labour laws and organized unions that can hinder smooth expansion. The Congress affiliated Indian National Trade Union Congress controlled more than 33 million workers. The BJP friendly Bharatiya Mazdoor Sangh (BMS) controlled 17 million workers. Communist party run unions had 20 million workers. India lagging behind in imparting skills training to workers. Dearth of vocational education facilities and? lack of training facilities are the key challenges of India's industrial landscape. Long term global competitiveness in industry required huge investments in research and development, but? Indian companies have been slow to embrace research and development. India has been very stringent in application of procedures and regulations. Creating healthy business? environment will be possible only when the administrative machinery is efficient. A business friendly environment will only be created if India can signal easier approval of projects and set up hassle free clearance mechanism. India should be ready to tackle elements that adversely affect competitiveness of manufacturing. India? should also be ready to give tax concessions to companies and set up unit in the country. India should be more focused towards novelty and innovations in small and medium sized industries. The? government has to chalk out plans to give special scope and privileges to these sectors. India's Make in India campaign will be constantly compared with Chin's Make in China campaign. India? should constantly keep up its strength so as to outpace china's supremacy in the manufacturing sector.

OPPORTUNITIES OF MAKE IN INDIA

Aiming to make in India as its export hub, home appliances manufacturer Bosch and Siemens today? announced company's first manufacturing plant in the country. The South East Asian region is expected to start operations by the second half of 2014.? Japan's largest consumer electronics exporter is now seriously evaluating to come and make in India? opportunity. The Make in India campaign seems to have come at perfect time. Many giant foreign companies have? already expressed their interest in setting up manufacturing facility in India. Switzerland

based chocolate maker Barry Callebaut is looking at setting up a manufacturing unit in India as? part of its global expansion plans to cash in on the 3,000crore domestic market. Barry Callebaut currently has only commercial operations in the country. The economic impact of FINDINGS OF THE STUDY Make in India will bring a drastic change in the fields like automobiles, aviation, biotechnology, defense, media, thermal power, oil and gas and manufacturing sector. The job opportunities are multiples and opened the doors without any limitations. Through continuous foreign investments, the progress of the Indian economy can be made sustained. The challenges and threats for the human resource sector will be refined in the sectors of the economy. This initiative creates great awareness about the growing technology. SUGGESTIONS The extra impetus by the government on initiatives like skill development has been proposed to provide essential support to make in India to thrive. We should manufacture goods in such a way that they carry zero defects and goods with zero effect that they should not have a negative impact on the environment. Reforms like bringing more sectors under the automatic route, increasing the FDI cap and simplifying the procedural delays has to be initiated. India should consciously work towards attracting greater FDI into Research and Development. CONCLUSION Manufactured has emerged as one of the high growth sectors in India. The Make in India campaign helps to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in the coming years. The proposal of making in India will boost manufacturing the electronic manufacturing market in the country. This in turn will focus on electronic manufacturing and plans to set up electronic clusters across various towns and cities. The large investment in manufacturing will bring in more capacity creation in the country. The tax reliefs given to start ups and MSME's will boost sustainable employment and the quality of startups in the design led manufacturing sector. Make in India mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. 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. REFERENCES 1. K. Kalaivani "A Study on the Impact of Make in India on HRM Practices – An overview". Indian Journal of applied research, Volume 5 Issue 4 April 2015. 2. Dr. K. V. Ramana "Make in India Illusion or Possible Reality Project?" International Journal of Academic

Research, April-June, 2015. 3. S. Soundhariya “Make in India - Scheme for transforming India” Global Journal for Research Analysis (GJRA), September, 2015. manufacturing in India will go beyond direct employment. It will create jobs in the services sector and allied services. Improving logistics infrastructure such as port-to- inland connectivity, cargo airports etc. KPMG and CII recently completed a report which identified nine key action items to make in India conducive for large scale manufacturing.

FINDINGS OF THE STUDY

Make in India will bring a drastic change in the fields like automobiles, aviation, biotechnology, defense, media, thermal power, oil and gas and manufacturing sector. The job opportunities are multiples and opened the doors without any limitations. Through continuous foreign investments, the progress of the Indian economy can be made sustained. The challenges and threats for the human resource sector will be refined in the sectors of the economy. This initiative creates great awareness about the growing technology. SUGGESTIONS The extra impetus by the government on initiatives like skill development has been proposed to provide essential support to make in India to thrive. We should manufacture goods in such a way that they carry zero defects and goods with zero effect that they should not have a negative impact on the environment. Reforms like bringing more sectors under the automatic route, increasing the FDI cap and simplifying the procedural delays has to be initiated. India should consciously work towards attracting greater FDI into Research and Development.

CONCLUSION

Manufactured has emerged as one of the high growth sectors in India. The Make in India campaign helps to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India’s ranking among the world’s 10 largest manufacturing countries has improved by three places to sixth position in the coming years. The proposal of making in India will boost manufacturing the electronic manufacturing market in the country. This in turn will focus on electronic manufacturing and plans to set up electronic clusters across various towns and cities. The large investment in manufacturing will bring in more capacity creation in the country. The tax reliefs given to start ups and MSME’s will boost sustainable employment and the quality of startups in the design led manufacturing sector. Make in India

mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. 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.

REFERENCES

1. K. Kalaivani “A Study on the Impact of Make in India on HRM Practices – An overview”. Indian Journal of applied research, Volume 5 Issue 4 April 2015.
2. Dr. K. V. Ramana “Make in India Illusion or Possible Reality Project?” International Journal of Academic Research, April-June, 2015.
3. S. Soundhariya “Make in India - Scheme for transforming India” Global Journal for Research Analysis (GJRA), September, 2015.
4. Dr. Puneet Aneja “Make in India: New Paradigm for Socio - Economic Growth in India”, PARIPEX – Indian Journal of research, April, 2016.
5. Seema Sangwan Making “Make in India” realism: role of FDI, International Journal of Applied research, 2015.
6. Dr. T. Vijayragavan “Make in India and its Strength to Become India’s Manufacturing Hub, International Journal of Engineering, Business and Enterprise Applications, (IJEBEA), 2015.
7. Seema Sangwan “Making Make in India a realism: role of FDI”, International Journal of Applied Research, 2015.
8. Samridhi Goyal, Prabhjot Kaur and Kawalpreet Singh “Role of HR and Financial Services in Making Make in India Campaign a success”, IOSR Journal of Business and Management (IOSRJBM), February, 2015.