



# REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

VOLUME - 11 | ISSUE - 3 | DECEMBER - 2021



---

---

## THE STUDY OF THE ROLE OF 'MAKE IN INDIA' IN THE DEVELOPMENT OF INDIA'S MANUFACTURING SECTOR

**Dr. Mahendra L. Vanjari**  
Assistant Professor, D.R.B. Sindhu Mahavidyalaya, Nagpur.

### ABSTRACT:

After the introduction of economic liberalization, the country's economy took the path of progress and the industrial revolution came in the private sector. Multinational companies started investing in India and soon India was counted among the largest markets in the world. Today the Indian economy is growing optimistically with strong growth in the country and signs of improvement in the overall outlook of business and investment. With the help of new efforts and initiatives of the government, there has been a lot of improvement in the construction sector. To promote and promote manufacturing, the present government launched the 'Make in India' program on 25 September 2014 to transform India into a global hub of significant investment and manufacturing, infrastructure, and innovation.



After the announcement of the Make in India program by the Government of India, construction in many areas of the country has now started in India itself. Large companies from all sectors including defense, technology, electronics, automobiles have invested huge amounts in India in the last three years. According to the number of customers, India was a big market even earlier, but now India is also strengthening its role in the field of construction. This research paper has been written to find answers to the questions that what is the policy of the Government to promote industrial activities and to make India a manufacturing hub; How 'Make in India' campaign is beneficial for boosting the manufacturing sector in the country, what is the progress made so far concerning the 'Make in India' campaign; What are the other steps taken by the government to make India a manufacturing hub.

**KEYWORDS:** Make in India, Manufacturing Sector, Industrial Revolution, Foreign Direct Investment.

### DATA COLLECTION METHOD USED FOR RESEARCH:

This research depends on secondary data like newspapers, books, magazines, reports, and websites.

**The Objective of Research:**

- 1) To study the progress made so far concerning the 'Make in India' campaign
- 2) To know the policy of the Government to promote industrial activities and to make India a manufacturing hub
- 3) To study how the 'Make in India' campaign is beneficial for boosting the manufacturing sector in the country.
- 4) To know the other steps taken by the government to make India a manufacturing hub.

**INTRODUCTION:**

The make in India campaign is a commendable initiative started by Prime Minister Narendra Modi. This is not a slogan but an idea on which the previous governments of the country lost many years while thinking of implementing it. The main objective of this initiative is to create new employment opportunities for the citizens of the country and develop their skills. High-quality standards and the lowest environmental impact have been kept in mind while launching this initiative. Under the Make in India initiative, emphasis has been laid on the development of 25 sectors that strengthen the country's economy. Efforts are on to bring in foreign direct investment in these 25 sectors which are boosting the economy and it is getting a positive response. To give impetus to the economy, emphasis is being laid on development in the following 25 sectors.

The Make in India program was launched by Prime Minister Narendra Modi on 25 September 2014. Since its inception, this initiative started gathering discussions all over the world. India is a strong growing economy and a fast-emerging market in the world. Today India is counted among the leading countries of Asia and in the coming times, it will emerge as a superpower of the world. This initiative of the Modi government received positive response and support from all over the world, due to which India received a foreign direct investment of 63 billion US dollars in 2015, beating countries like the US and China. In October 2014, 13 percent more Japanese companies were registered in India than in 2013. In November 2014, the pace of factory growth rate in India was maximum.

Japan, an old ally of India, has now occupied the leading position in the list of major allies of India. Apart from the bullet train project, many Japanese companies showed interest in investing in India and contributed to the success of Make in India. After the launch of Make in India, in the very next month, the number of Japanese companies registering in India registered a 13 percent increase over the previous year.

The main objective of the government is to make India the center of the manufacturing sector in the world under the Make in India campaign. Along with this, the focus is being on development in the manufacturing sector with advanced technology and technology within the country itself. Even today, most of the work in the construction sector in India is done by manpower. Modi government wants to convert manpower into human skills so that along with improving quality, productivity can also be increased.

'Make in India' mainly focuses on the manufacturing sector but also aims to promote entrepreneurship in the country. Its vision is to create a conducive environment for investment, modern and efficient infrastructure, opening up new areas for foreign investment, and building a partnership between government and industry.

The new process, new infrastructure, new areas, and new thinking are the four pillars of Make in India. The objective of Make in India is to achieve 12-14 percent annual growth in the construction sector over the medium term, to increase the share of the construction sector in the country's GDP to 25 percent by the year 2022, 100 million additional employment in the construction sector by the year 2022. To create, create appropriate skills for holistic development among rural migrants and urban poor people, enhance domestic value addition and technical knowledge related to construction, increase the global competitiveness of India's construction sector and contribute to environmental protection in India. To ensure stable development.

### **The Role Of 'Make in India' In the Development of India's Manufacturing Sector:**

Many benefits have been seen since the inception of Make in India. After the launch of Make in India, India became the first choice of MNCs for investment and in the year 2015, India overtook the US and China to receive a foreign direct investment of 63 billion US dollars. After this, in the year 2016, despite the economic slowdown all over the world, India received a foreign direct investment of about \$ 60 billion, which was much more than many big developed countries of the world. Through Make in India, the Modi government has emphasized the development of the construction sector. In sectors such as automobiles, automobile parts, electrical machinery, and electronic systems, the Modi government had also allowed foreign direct investment in defense products and railway infrastructure. The Modi cabinet had passed a proposal to implement foreign direct investment of 49 percent in the field of defense products and 100 percent in the field of railway infrastructure.

One of the main objectives of the Modi government under Make in India is to remove unemployment. Under Make in India, a large number of trained youths will be needed for the industries starting in India, and keeping this in mind, Prime Minister Narendra Modi established the Ministry of Skill Development. To make the youth technically proficient, many programs are being run by the Ministry of Skill Development of the Modi government, under which the youth are being trained.

Most of the foreign companies that are investing in India under the Make in India program work on a working style focused on human skills instead of manpower. After the implementation of Make in India, the youth of the country will benefit and employment will be created on a large scale.

Availability of modern and convenient infrastructure is a very important requirement for the development of industries. The government intends to build industrial corridors and smart cities to provide state-of-the-art technology-based infrastructure along with modern high-speed communication and integrated logistics arrangements. The existing infrastructure is being strengthened by improving the infrastructure in the industrial clusters.

With the easing of investment limits and controls, India's valuable sectors – defense, construction, and railways – are now open to global partnerships. Policy liberalized the defense sector and raised the FDI limit from 26% to 49%. Portfolio investment of up to 24% is allowed through the automatic route in the defense sector. 100% FDI in Defense sector allowed for state-of-the-art and state-of-the-art technology on a case-to-case basis. 100% FDI has also been allowed for construction, operation, and maintenance under automatic routes in some special rail infrastructure projects.

The government has taken several steps to simplify the process of doing business in India. Many rules and procedures have been simplified. Along with this, many items have been removed from the license requirements. The government aims to provide a strong infrastructure for business by developing institutions as well as requisite facilities in the country. The government wants to develop industrial corridors and smart cities to provide state-of-the-art technology to business entities. Efforts are being made to provide skilled manpower through the National Skill Development Mission. Innovation is being encouraged through better management of the patent and trademark registration process.

'Make in India' identifies 'ease of doing business as the single most important factor in promoting entrepreneurship. Several initiatives have been initiated by the government to ease the business environment. The government is working to develop industrial corridors and smart cities, world-class infrastructure with state-of-the-art technology, and high-speed communication. Innovation and research activities are being supported through a fast-paced IPR registration system. The FDI regime has been liberalized for defense production, insurance, medical equipment, construction, and railway infrastructure. The government is playing the role of a facilitator and not just a regulator for the industry to become a partner in the economic development of the country.

Following are the steps were taken by the government to make India a world-class manufacturing hub. As an effort towards the delivery of services through a single window, 14 services of the Government of India have been integrated with the e-Biz portal. Investor Facilitation Cell has been created at Invest India to assist, guide and assist investors during various stages of the business life cycle. Information relating to 25 sectors including FDI Policy, National Manufacturing Policy,

Intellectual Property Rights and details of Delhi-Mumbai Industrial Corridor and other National Industrial Corridors uploaded on 'Make in India' web portal (<http://www.makeinindia.com>) has gone.

The ordinance has been issued to ease land acquisition for important projects. The requirement of license has been done away with on many items in the list of defense products. Similarly, the requirement of a license has also been removed from the dual-use mother. The Ministry of Labor and Employment has developed an integrated web portal 'Shram Suvidha'. The portal provides allotment of Unique Labor Identification Number (UN) to units, filing of single self-attested online return for 16 labor laws, random computerized inspection based on optional criteria; Uploading of reports by inspectors within 72 hours of inspection; It provides facilities.

The growth rate of investment in the economy has been very slow in the last five years. This situation gets worse when we consider capital investment in the manufacturing sector. According to the Economic Survey 2018-19, the Gross Fixed Capital Formation (GFCF) reflecting the total investment in the economy, which was 31.3 percent of GDP in the year 2013-14, declined to 28.6 percent in the year 2017-18. Importantly, the share of the public sector in total investment remained more or less the same during this period, while the share of the private sector declined from 24.2 percent to 21.5 percent. On the other hand, the savings data during this period shows that the household savings rate has declined, while the private corporate sector savings rate has increased. Thus, we are in a situation where private sector savings are increasing, but the investment is declining.

The Index of Industrial Production (IIP) is the largest indicator of the change in the output of the manufacturing sector. If we look at the data of the Index of Industrial Production between April 2012 and November 2019, it is known that during this period only 2 times double-digit growth was registered, whereas it was either less than 3 percent or negative for most of the months. Thus, it is clear that the production growth in the manufacturing sector has not yet taken place. Recently, the Center for Monitoring Indian Economy (CMIE) has released data regarding the unemployment rate, according to which India's unemployment rate increased to 7.5 percent during September-December 2019. The unemployment rate was even worse for educated youth, indicating that 2019 was the worst year for young graduates. It may be noted that in May-August 2017, this rate was 3.8 percent. Evaluating the 'Make in India' initiative based on the above factors, it is known that this initiative has not been able to perform as per the expectations.

This initiative has been adversely affected by the uncertainties of the global economy and the ever-increasing trade protectionism. India's ranking in the 'Ease of Doing Business Index has improved a lot, but despite this investment in the country is not increasing. This clearly shows that India needs more than window dressing policies to increase manufacturing activities.

The main reason the initiative did not perform satisfactorily was that it was heavily dependent on foreign investment, resulting in an inherent uncertainty as production plans in India were being determined by demand and supply in another country. Was. Most of the schemes in India are facing the problem of inefficient implementation and this has emerged as a major factor even in the case of the 'Make in India' initiative. Another reason is that under this initiative a very ambitious growth rate was set for the manufacturing sector. Analysts believe that the annual growth rate of 12-14 percent is beyond the capacity of the industrial sector. Historically, India's manufacturing sector has never achieved such a growth rate.

## CONCLUSION:

One of the main objectives of the 'Make in India' initiative is to increase employment opportunities in India. Under this, the focus has been on the youth of the country. The 'Make in India' initiative is focusing on the development of the manufacturing sector, which will not only boost the business sector but also increase the growth rate of the Indian economy with the establishment of new industries. Shortly after the launch of the scheme, in the year 2015, India topped the foreign direct investment (FDI) position, leaving behind the US and China. But India is an agricultural country and the economy of India is an agricultural-based economy. The most negative impact of this initiative has been on India's agriculture sector. India's agriculture sector has been completely ignored in this initiative.

Usually, such projects consume natural resources like water, land, etc. on a large scale. Under this initiative, foreign companies have been motivated to produce in India, due to which the small entrepreneurs of India have been affected. Industrialization cannot be started by simply passing a few bills in Parliament and holding investors' meetings. The Government of India will have to make more efforts to create a conducive environment for the development of industries especially manufacturing industries.

## REFERENCES:

### Books:

- 1) Mahendra Panwar, Make in India Opportunities and Challenges, PrajjwalPublication
- 2) Dharen Kumar Pandey, Brajesh Kumar Tiwari, Make in India A Road Map, Global Vision Publishing House (2016)
- 3) Srinivas R Pingali, Made in India, Notion Press
- 4) Bibek Debroy, Anirban Ganguly, Kishore Desai, Making of New India: Transformation Under Modi Government, Wisdom Tree (November, 2018)
- 5) Sachin Gupta, Make in India or Trade in India: A manufacturing startup entrepreneur's journey

**Newspaper:** Lokmat, Times of India, Navbhart, Hitvada

### Websites:

- <https://www.mapsofindia.com/government-of-india/make-in-india.html>
- [https://en.wikipedia.org/wiki/Make\\_in\\_India](https://en.wikipedia.org/wiki/Make_in_India)
- <https://www.makeinindia.com/about>
- [https://www.pmindia.gov.in/en/major\\_initiatives/make-in-india/](https://www.pmindia.gov.in/en/major_initiatives/make-in-india/)
- [http://mea.gov.in/Images/attach/Make\\_in\\_India\\_Initiative.pdf](http://mea.gov.in/Images/attach/Make_in_India_Initiative.pdf)
- <https://www.indiabudget.gov.in/budget2015-2016/es2014-15/echapvol1-07.pdf>
- [https://www.indiainfoline.com/article/article-latest/why-make-in-india-is-so-imperative-to-india-s-growth-116101700033\\_1.html](https://www.indiainfoline.com/article/article-latest/why-make-in-india-is-so-imperative-to-india-s-growth-116101700033_1.html)
- <https://www.theindianwire.com/politics/make-in-india-215144/>
- <https://www.careerlauncher.com/upsc/make-in-india/>
- <https://www.ies.gov.in/pdfs/make-in-india-oct15.pdf>
- <https://www.phdcci.in/wp-content/uploads/2018/11/Make-in-India-Bolstering-Manufacturing-Sector.pdf>
- <https://www.livemint.com/industry/manufacturing/-make-in-india-has-not-eased-manufacturing-woes-1550415878174.html>
- <https://www.iosrjournals.org/iosr-jbm/papers/Vol17-issue2/Version-4/D017242024.pdf?id=7371>
- <https://byjus.com/free-ias-prep/make-in-india/>
- <https://www.ibef.org/economy/make-in-india>
- <https://www.indiafilings.com/learn/make-in-india/>
- <https://vikaspedia.in/social-welfare/skill-development/make-in-india>
- <http://employmentnews.gov.in/webmake.pdf>
- <https://www.adb.org/news/features/manufacturing-and-make-india-12-things-know>
- [https://www.ripublication.com/ijbamspl17/ijbamv7n1spl\\_08.pdf](https://www.ripublication.com/ijbamspl17/ijbamv7n1spl_08.pdf)