

MAKE IN INDIA: AN OVERVIEW

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ABSTRACT

India, in the last decade had reduced relied more on service sector than manufacturing sector for economic growth. As a result proportion of manufacturing sector in GDP has shrunk by 0.7% in financial year 2013-14 showing a negative growth. For the growth of any Country, manufacturing sector's contribution to GDP needs to be much more significant and then "Make in India" is an important initiative. NDA government's "MAGDPKE in India" campaign for attracting industrialists and to Make in India as a globalization manufacturing hub, to help in creating additional job opportunities and giving a boost to economic growth in the country. The philosophy behind this campaign is to establish India as a manufacturing hub for domestic and foreign companies. By this scheme we are able to build, business friendly environment, for our country. The launch of make in India campaign by Prime Minister Modi in the presence of leading businessman and CEOs of about 3000 companies from 30 countries, prove a major landmark for Indian economy. This campaign is an effective effort of the government to boost up investor confidence in the country. This paper aims to analyze the role of MAKE IN INDIA in reviving the Manufacturing industry and also study the major new initiatives designed to facilitate investment, protect Intellectual property and build manufacturing infrastructure.

KEYWORDS: *Manufacturing Hub, Innovative Reforms, Transformation, Economy, GDP, Recession, Priority Sector, Infrastructure.*

Introduction

"Make in India" was launched by PM Narendra Modi on September 25, 2014. It is launched with the main objective to encourage the companies to manufacturing their product in India. The program include major new initiatives design to facilitate investment, foster the growth of economy, and build best and world class manufacturing infrastructure. Beside focuses on increasing manufacturing, "Ease of Doing Business" also initiated with a view of simplification of rules & regulations. This is an important strategy initiative by PM of India to attract investment from business all over the world and transforming India as a Global Manufacturing Hub. To promoting this campaign a lot of efforts Make by government of India which include the web portal, logo & brochures are used for detailing 25 priority sectors of the economy. The objective behind this initiative is to focus on job creation, skill development, innovation and to bring India's manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), joint venture, foreign direct investment inflow and advancing Ease of doing business. This scheme focus on boosting up of economic growth to the new heights and to pull back the economy from clutches of recession. PM assured that the "Investment facilitation cell" will provide assistance to the foreign and domestic investor from the time, with a focus of improving green and advanced manufacturing techniques to helping these companies to become an important part of globalization value chain.

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Concept of Make in India

The theme of make in India is to encourage the companies to increase manufacturing in India. There are three pillars to bring a positive transformation in manufacturing that are:

- To Improve the regulatory climate
- To enable facilitates for manufacturing better
- To open foreign direct investment in key sectors like civil construction, railways, telecommunication etc.

The process of applying for industrial license been simplifying and made available online. Manufacturing units are now requiring self certification and efforts to reduce the ambit of government inspector in private manufacturing sector, except for those producing hazardous materials. All these measures have been taken by government to improve the climate for doing business in India. Basically, make in India is an initiative of government of India to encourage multinational & domestic companies of India to manufacturing in India. The campaign will create about 100 million jobs opportunities for youth in India over time. The aim is to take a share of manufacture in country's GDP from 16% to 25% by 2022. Major objectives of this scheme focus on 25 sectors. The sectors includes Automobile, textiles & garments, Biotechnology, wellness, defense, manufacturing, ports, food processing , mining, media & entertainment , IT , pharmaceuticals, Renewable energy, roads & highways, railways, thermal power, oil & gas, space, leather, construction , aviation , automobile components, chemicals and electronic.

Objectives and Research Methodology

The study is based on secondary data which is collected from the published report of Ministry of extended affairs, newspaper, journals, magazines & websites etc. the study was planned with the following objectives:

- To study the new major initiative that are designed to facilities investment.
- To study the innovation reforms in manufacturing sector in India.
- To study the strategic components of Make in India.
- To examine the hurdles that is to be solved for successful implication of the make in India campaign.
- To study that how much work had been done till date & what is the future prospects.

New Initiative for Make in India

- Doing business in India just got easier through de-licensing & deregulation, measures reduce complexity and significantly increasing speed & transparency.
- Process of applying for industrial license & industrial Entrepreneur memorandum made online on 24*7 bases through e-Biz portal.
- Validity of industrial licensing extended to 3 years.
- Major components of defense product's list excluded from industrial licensing.
- States asked to introduce self certification & third party Boiler Act.
- Process of obtaining environment clearance made online.
- Service of all government department & ministries will be integrated with eBIZ- a single window IT platform.
- Imputes on developing industrial corridors and smart cities.
- New industrial clusters for promoting practice in manufacturing.
- Approval accorded to 17 national investments & manufacturing zones.
- Approval obtained for strengthening intellectual property regime in the country through:
 - Creation of 1033 ports
 - Further up graduation of IT facilities
 - Compliance with Global standards
 - Application process made online
- Approval accorded to 21 industrial projects under modified industrial infrastructure scheme with an emphasis on:
 - Use of recycled treatment park

- Central efficient treatment plants
- Approval accorded to 17 national investments and manufacturing zones.

Strategic Components of Make in India

- Focus on still development.
- Develop better and world class infrastructure facilities.
- Making India as a globalization manufacturing hub for both domestic and foreign companies.
- Reduce imports and improve our export.
- Getting more employment opportunities for India youth
- Increase the individual's income and purchasing power.

Pros & Cons of Make in India Campaign

Pros

- As PM. Modi emphasizes on the development of labor intensive manufacturing sector, so this campaign will generate a lot of employment opportunities in manufacturing sector, and other related sectors like retailing, marketing etc.
- This campaign will help in achieving the objective of national manufacturing policy i.e. to increase the share of manufacturing sector in GDP to 25% till 2022.
- Employment will increase people's purchasing power which ultimately helps in poverty reduction and expansion for consumer base for companies.
- The model of "look East and link West" policy will also encouraged by the industrial linkage with the world.
- Export oriented growth model will improve India's Balance of payment and helps in accumulating foreign exchange reserve.
- Govt. has decided to formulate auto response mechanisms to make investment friendly environment.
- Foreign investment will bring technical expertise and creative skills along with foreign capital.

Cons

- From a theoretical prospective, Make in India will tend to violate the theory of comparative advantage, according to this theory if it is not economically feasible to manufacture a commodity in India, than it is best to import the same from a country which enjoy comparative advantage in its production.
- Manufacturing sector demands highly skilled labor whereas India lacks highly skilled labor force.
- Our Complex processes have proved to be hurdles in getting procedural & regulatory clearance, especially for new entrepreneurs who are still very hesitated to move towards manufacturing sector. This also reflects in world bank's "Ease of doing business report" in which our rank was 134 out of 189 countries in 2013, and 130 in 2016.

Progress

In the short span of time, the obsolete and obstruction framework of the past have been desalted and replace with transparent and user friendly system that is helping drive investment, foster innovation develop skill, protect intellectual property and build best-in-class manufacturing infrastructure .

A workshop titled "Make in India-sartorial prospective & initiatives" was conducted on 29th December, 2014. Under which an action plan for 1 to 3 years has been prepared to boost up the investment in 25 sectors.

The ministry has engaged with the world bank group to identify areas of improvement in the line with world bank's "doing business methodology". A two day workshop and several follow up meetings were held to formulate framework which could boost up INDIA's rank which is currently 130 in terms of Ease of doing Business.

An investor facilitation cell (IFC) dedicated to the Make in India campaign was formed in September, 2014, with an objective to assist investor in seeking regulatory approvals, hand holding services through the pre investment phase, execution and after care support.

The Indian emphasized and consults have also been communicated to disseminate information on the potential for investment in identified sector DIPP has been set up a special management proposal from Japan, the team known as 'Japan plus' has been operationalised w.e.f October, 2014 similarly Korea plus launched in June, 2016, facilitates fast track investment proposal from south Korean companies wishing to enter the Indian market.

Various sectors have been opened up for investment like defense, railway, space etc. Also for regulatory policies have been relaxed to facilities investment and ease of doing business. Six industries corridors are being developed across various regions of the country. Industrial cities will also come up along with corridors.

Findings and Suggestions

"Make in India" and its related subsequent announcements of various enabling measures created an atmosphere of hope that manufacturing sector will be increase. The new measures will adequately remove the stumbling blocks for the potential investors.

Two sets for govt. actions have been examined; legislation and administration actions:

- There is no doubt that many of our laws need serious relook but more than that there is a need to bring about political consensus as otherwise it creates an atmosphere of mutual mistrust and present as if industry and agriculture are competitions rather than complimentary to each other.
- Administrative actions are concerned merely policy change may not be sufficient unless accompanied by enabling administrative reforms at the ground level so as implement the policy without dilution.

"Make in India" is basically launched to boost the manufacturing industry which is in a very bad shape over past 3 decades. For making Make in India successful in real sense we have to make policy reforms. Unless and until reforms are not made in these sectors, we cannot dream of successful "Make in India campaign".

Conclusion

This is an actual time of expectation for India to increase the growth in manufacturing sector, which contribute major part of GDP. We have a very strong pro-industry government, global economy is picking up & our core advantages are still strong and relatively unaffected from the global slowdown. The removal of unnecessary regulations and simplifying procedure gives a hope to see significant sector and this making India, a global manufacturing hub. Make in India is like a complete package to change the government's mind set—A Shift from Issuing Authority to Business Partner, with a view of "minimum government maximum governance".

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