
MAKE IN INDIA : CHALLENGES AND OPPORTUNITIES

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Abstract : *Make in India* initiative started by the government of India, is inviting the entire world to come and make in India. But the question is, can we replicate the magic of China? When we have challenges like, poor infrastructure, red tapism etc in the country. At the same time the global economy is fragile right now and is going through a slowdown. Crashing of the crude oil prices has been a boon for the country. So it the right time for India to use its potential to strengthens its manufacturing base. We have a strong educated workforce which is our assets. A country which can send Mission Mar at economical cost has the potential to build a strong manufacture base. According to IMF report India will be an emerging economic super power in the upcoming years. The paper highlights the major challenges faced by India, what scope and potential do the country possess. The various industries and the countries where we need to lay our focus. The paper focuses on the initiatives taken by the government for –*Make in India*||, and various suggestions for the campaign.

Keywords: Manufacturing, production, infrastructure, economy, challenges, opportunities

INTRODUCTION: Make in India is an initiative program of the Government of India to encourage multinational companies and domestic companies to manufacture their products in India.. It was launched by Prime Minister Narendra Modi on 25 September 2014. The campaign is aimed to attract foreign firms to set up their manufacturing units in India and to seek greater foreign investment. The objective of the campaign is to get manufacturing sector to grow over 100 percent on a sustainable basis over a long run. The govt will look into all regulatory processes to ease the burden of investors. A dedicated cell has been created to answer queries from business entities through a fresh created web portal. Through this campaign, the Union Government aims to clear the daunting image of complex rules and bureaucratic red tape of Indian administration. It will facilitate the world investors to foster their investment decisions. This will facilitate in realizing the aim of liberalized economy. Make in India will act as a primary reference point for guiding foreign investors on all aspects of regulatory and policy problems and assists them in getting regulatory clearances. Through Make In India initiative, government will focus on building physical infrastructure as well as creating a digital network to make India a global hub for manufacturing of goods ranging from cars to software's, satellites to submarines, pharmaceuticals to ports and paper to power. For the Make in India campaign, the government of India has

identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. These include: automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defence manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, mining, bio-technology, space, thermal power, roads and highways and electronics systems. In this paper, a challenging effort was made to present the new investment project of Prime Minister Mr. Narendra Modi that **'Make in India'** is the new mantra and the objective was to encourage the production of goods within the country and Making India the manufacturing hub of the world economy. The aim of the project showing a pure classical economics there is going to be a demand and then there would be producers who would be incentivized to supply goods and Services to meet that demand. This paper covers issues of the make in India, sectors covered, worldwide and positive responses and some critics. However, this paper is concluded as optimistic manner that the Make in India' economically viable? What are the challenges that the project and movement will face? What about the projects that are currently running under 'Make in India'? Can India compete in the global market? We will try to find the answers to all of these questions in the next couple of years. India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Mae in India is the Indian government's effort to harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. This review based study really highlights and helps the young and new researcher who wants to do research under make in India them easily to identify the real challenges and opportunities for both men and women entrepreneurs wish to start business in India.

CURRENT CHALLENGES :

Make in India:

In this paper, a challenging effort was made to present the new investment project of Prime Minister Mr. Narendra Modi that '**Make in India**' is the new mantra and the objective was to encourage the production of goods within the country and Making India the manufacturing hub of the world economy. The aim of the project showing a pure classical economics there is going to be a demand and then there would be producers who would be incentivized to supply goods and Services to meet that demand. This paper covers issues of the make in India, sectors covered, worldwide and positive responses and some critics. However, this paper is concluded as optimistic manner that the Make in India' economically viable? What are the challenges that the project and movement will face? What about the projects that are currently running under 'Make in India'? Can India compete in the global market? We will try to find the answers to all of these questions in the next couple of years. India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Mae in India is the Indian government's effort to harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. Prime Minister Mr. Narendra Modi launched the Make in India campaign on September 25, 2014. The date of the launch was chosen to be of maximum advantage. Coming right after the successful insertion of Mangalyaan – a wholly indigenously built low-cost probe into the Martian orbit - the event highlighted India's success in manufacturing, science and technology, and all this at inexpensive costs. It also came just a day ahead of the Prime Minister's maiden US visit. Calculated to enhance India's attractiveness as an investment destination, the launch ceremony was held at the Vigyan Bhavan in New Delhi. The hall thronged with attendees, a

number of who did not even find seats. Leading entrepreneurs and the CEOs of about 3000 companies from across 30 countries were invited to attend the launch.

The Vision of Make in India:

The manufacturing industry currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. The Prime Minister called for all those associated with the campaign, especially the entrepreneurs and the corporates, to step and discharge their duties as Indian nationals by First Developing India and for investors to endow the country with foreign direct investments. The Prime Minister also promised that his administration would aid the investors by making India a pleasant experience and that his government considered overall development of the nation an article of faith rather than a political agenda. He also laid a robust foundation for his vision of a technology-savvy Digital India as complementary to make in India. He stressed on the employment generation and poverty alleviation that would inevitably accompany the success of this campaign. The major objective behind the initiative is to focus on 25 sectors of the economy (table 1) for job creation and skill enhancement. The initiative hopes to increase GDP growth and tax revenue. The initiative also aims at high quality standards and minimizing the impact on the environment. The initiative hopes to attract capital and technological investment in India. The campaign was designed by the Wieden + Kennedy (W+K) group which had previously worked on the Incredible India campaign and a campaign for the Indian Air Force.

Table 1. Launched particulars

Campaign Name	Make In India
Launch Date	09/25/14
Launched By	PM Mr. Narendra Modi
Number of Sectors	25
Investment Proposals Received	INR 2000 crore (till 9-Oct-2014)

Some key takeaways from the Prime Minister's speech at the launch ceremony.

- We do not want to see any company or enterprise leave India due to business constraints
- An environment of trust will convince industry leaders of the government's commitment to developing industry
- FDI is a responsibility for the people and an opportunity for the global investors; FDI for Indians should be "First Develop India" and Foreign Direct Investment for the investors
- Only when India moves away from poverty will purchasing power in the country increase and when this happens the country will start to bloom as a grand huge market for industries
- The movement away from poverty will come from increase in employment; employment will come only when we start developing the manufacturing sector in India.
- Investors are not attracted by incentives; investment will be attracted only by friendly policies and a secure environment.
- Ease of business is important for development; India has slipped low in the list of countries in terms of ease of doing business.
- The world is looking to invest in Asia, particularly in Asian democracies, and in places with high demand India fits the bill perfectly.
- needs to reassure investors of its effectiveness in promoting business and industry
- Skilled manpower mapped to the natural potential and creation of sustainable growth will be the focus of 'Make in India'.
- Digital India is the crux of effective governance; if this is not achieved, the governance and society will stay divergent. Ease of governance will come only with use of technology.
- Only when the Centre and the state governments work together in tandem can India's true development potential be tapped into; development of states is the development of the country.
- The 'Make in India' campaign is dedicated to Pandit Deendayal Upadhyaya, the patriotic thinker and philosopher.

Expectations on make India:Make in India' for Big Boost to Industry & Employment

The launch of the 'Make in India' campaign by Prime Minister Narendra Modi to attract foreign investments and boost the manufacturing sector of India has been timed to perfection. It comes a day after India's indigenously manufactured satellite Mangalyaan was successfully put in the Martian orbit, showing to the world the progress India has made in manufacturing processes, technology, science and innovation. It also comes a day ahead of the PM's visit to the US. 'Make in

India’ is intended to provide a major fillip to India’s manufacturing industry which currently contributes about 15% of the national GDP. For the Make in India campaign, the government of India has identified 25 priority sectors (table 2) that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. It is aimed the development of these sectors would ensure that the world shall readily come to Asia, particularly to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration.

Table 1. Key sectors allowed making in India

Automobiles	Food Processing	Renewable Energy
Automobile Components	IT and BPM	Roads and highways
Aviation	Leather	Space
Biotechnology	Media and Entertainment	Textiles and garments
Chemicals	Mining	Thermal Power
Construction	Oil and Gas	Tourism and Hospitality
Defence manufacturing	Pharmaceuticals	Wellness

Make in India’ Call Gets Smart Response from Abroad

Make in India program started by Modi Government to transform India into a global manufacturing hub. Twenty five key sectors were marked out as priority sectors and foreign investors have been promised all assistance and information required to set up businesses in India. The Prime Minister followed up on the Make in India campaign with a series of labour reforms that were long overdue. The response to make in India call has been quite promising, domestic as well as foreign, although it’s not time yet to see the impact of these reforms. Tying it up with Digital India and the expansion targets of the economy, the

Government is certainly working on what seems to be a comprehensive plan to rope in foreign investments to boost the economy and growth.

Producer Incentives: The producer incentives can come from four factors

1. Cheaper costs of production & Movement of goods
2. Ease of doing business
3. Market with the ability to pay that improves margin
4. Finding the right skill set

It is expect and think it is looking at the producer incentives that you realize that we fall flat on our faces. All 4 factors mentioned above are a suspect. Even if we say that the market would finally take notice of our quality and pay the price for a Make in India product. Cheaper costs of

production and movement of goods alone will expose the lack of infrastructure in the country. Raw materials have to make their way into the factory and finished goods have to move out. In the middle of this the processing of materials into goods would take water, electricity, real estate, clinics and hospitals to support this facility. The lack of them obviously increases the costs of production. In absence of electricity there is loss of production, or the alternative is to set up your own unit and incur more costs on it. Some others depend on Diesel generator sets to run factories. The current energy deficiency in India is around 5 % according to the Central Energy Agency. Basically apart from the west of the country and Gujarat in particular all regions are energy deficient. This is despite India being the third largest producer of electricity in the world and having one of the cheapest electricity rates per unit. Water is another short resource and the indiscriminate use of ground water and lack of perennial rivers especially in the Deccan is a major issue as well.

If we look at India's industrial production over the last year, one notices that there are variations. Please read this graph on the industrial output as a reference. There are major variations across the same year. This could be due to fluctuation in the demand but does not bode well for a project like 'Make in India'

REVIEW OF LITERATURE:

Review of literature is one of the important principles of research process which exposes the researcher to the various studies and to collect up-to-date information relating to the research area. Review of earlier research studies on make in india is essential for its improvement and an appropriate perspective for any further study.

Objectives of the study:

- To know how the technologies and connectivity will come together to make an impact on all aspects of governance and improve the quality of life of citizens.
- To Provide Employment and boost Economic Growth
- To urge both local and foreign companies to invest in India
- To understand through the review of literature the effect of „Make in India“ initiative on employability.

Significance of the study:

This paper helps to understand the requirement of skill development in India, to make our manpower employable for the international investors who start their business under “Make in India” project. It is an attempt to know the gap between existing and required level skill development in India.

Data collection and methodology:

The secondary data has been collected. For this purpose, various magazines and journals have been used as it is a conceptual paper. Thus, the focus is to know more about the concept, its application and the impact on economy via other parameters. Therefore, qualitative and quantitative data have been used.

Conclusion:

The study reveals how MAKE IN INDIA can generate job opportunities in India with new Industrial skill requirement. The study find out the overall status of Skill capacity available, skill requirement, skill gap and initiatives taken by Government of India for Skill Development. To make MAKE IN INDIA project successful, youth of the nation should be empowered with formal education, technical and vocational training to meet the Industrial requirement as per global standard. Skill India is a good initiative – providing skills to people, especially because India is one of the few countries all across the world whose working age population will be very high as per the World Bank. Skill development will enable the youths to get blue-collar jobs. Development of skills, at a young age, right at the school level, is very essential to channelize them for proper job opportunities. From the secondary data, a skill gap study conducted by National skill development corporation in 2014, too we can understand that there is an additional net requirement of 11.92 crore skilled manpower in twenty four key sectors by 2022. Hence there should be a balanced growth in all the sectors and all jobs should be given equal importance. Every job aspirant would be given training in soft skills to lead a proper and decent life. Skill development would reach the rural and remote areas also. For the economic and social development of the country, all the stakeholders in the country need to take measures to improve the physical and mental development of the youths of the country so that none of them remains unemployed and the country's unemployment problem also gets reduced. Hence corporate educational institutions, non-government organizations, Government, academic institutions, and society should help in the development of skills of the youths so that better results are achieved in the shortest time possible. Digital India' initiative is a refreshing move and quite the need of the hour for the weakened technological sector. The Government of India hopes to achieve growth on multiple fronts with the Digital India Programme. However, it requires to be rightly substantiated with amendments to various legislations that have for long hindered the growth of Indian technology. India should focus more on developing domestically led connectivity, promoting research and innovation-led development to establish itself strongly on the international stage as an economic superpower and particularly a thriving technological hub.

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