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MAKE IN INDIA: Role in Shaping Nation's Economic landscape

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ABSTRACT:

The Indian government's flagship "Make in India" initiative, which was introduced in 2014, is examined in this research along with its implementation and effects. The effort, which is primarily focused on making India a global manufacturing powerhouse, intends to draw in foreign investment, encourage innovation, and support domestic production in a variety of industries. This report provides a thorough overview of the Make in India Scheme's goals, programs, challenges, activities, as well as its key sectors, benefits, difficulties, and advancements.

KEYWORDS: Manufacturing policy, ecosystem, FDI, Start-upIndia, Atma-nirbhar

INTRODUCTION:

Prime Minister Narendra Modi introduced the "Made in India" initiative in 2014 with the goal of increasing foreign investment and the nation's own manufacturing industry. The government hopes to boost economic growth and revitalize the industrial sector, which has been languishing. By raising the nation's "Ease of Doing Business" rating, the Indian government also hopes to attract foreign companies to invest and manufacture in the nation. The long term objective is to expand job opportunities in India and gradually turn the nation into a major hub for global manufacturing. A lion appears in the Made in India logo. It's the outline of a lion, full with gears. This represents power, pride in the country, and Manufacturing.

OBJECTIVES:

The Made in India initiative has multiple goals in mind. They are as follows:

- Increase of the manufacturing sector's annual growth to 12-14%.

- By 2022, add 100 million new employment to the manufacturing sector.
- Raising the GDP percentage of the manufacturing sector to 25% by 2022.
- To promote inclusive growth, the urban poor and rural migrants should be equipped with the necessary skill sets.
- An increase in the industrial sector's technological depth and level of domestic value addition.
- Growing in a way that is sustainable for the ecosystem.
- Increasing the manufacturing sector's competitiveness in the world in India.

KEY SECTORS:

Defense and Aerospace Vehicles and Automobile Parts Medicines and Health Equipment Biotechnology Capital Items Clothing and Textiles Petrochemicals and Chemicals Manufacturing and Design of Electronic Systems (ESDM) Shoes and Leather food preparation Jewels and Ornaments Delivery Trains Building Novel and Sustainable Energy Information Technology and Services Enabled by Technology (IT & ITeS) Travel and Accommodation Services Travel with Medical Value Transportation and Allied Services Services for Finance and Accounting Services for Audio Visual Legal Aid Services for Communication Building and Associated Engineering Services Environmental Guidance Banking and Related Services Instructional Services

PRIMARY TENETS OF "MADE IN INDIA"

New Procedures: "Made in India" acknowledges that the most crucial element in encouraging entrepreneurship is "ease of doing business." Several steps have already been done to improve the business climate.

New Infrastructure: The government plans to build smart cities and industrial corridors, as well as top-notch infrastructure with cutting-edge technology and fast communication. A quick registration process and upgraded IPR registration infrastructure support innovation and research endeavours. The industry's skill requirements must be determined, and workforce development initiatives must be launched in response.

New Sectors: There has been a significant increase in Foreign Direct Investment (FDI) in the construction, insurance, medical device, defence, and railroad infrastructure sectors. FDI has also been permitted in the insurance and medical device industries.

New Mentality: The government should work as a facilitator rather than a regulator when collaborating with business to advance the nation's economy.

STEPS TAKEN TO SUPPORT MAKE IN INDIA:

Schemes for Production-Linked Incentive (PLI): An outlay of INR 1.97 lakh crore (more than US\$ 26 billion) has been announced in the Union Budget 2021-22 for PLI schemes for 14 important manufacturing sectors, beginning with fiscal year (FY) 2021-22. This expenditure is in line with

India's vision of becoming Atmanirbhar and enhancing India's manufacturing capabilities and exports.

PM GatiShakti and National Logistics Policy: The government's first- of-its-kind effort to create a multimodal logistics infrastructure for national transformation is the PM GatiShakti. In addition, over the next several years, the recently introduced National Logistics Policy seeks to cut logistics expenses by nearly 10%.

Industrialization and Urbanization: As part of the National Industrial Corridor Programme, the Indian government is creating a number of industrial corridor projects with the goal of creating greenfield industrial regions and nodes that can rival the world's top investment and manufacturing locations. Government of India has given the go-ahead for the building of 32 projects over 11 industrial corridors over four phases.

New Design, Innovation, and R&D: With over 79,100 start-ups, India has the third-largest tech-driven start-up ecosystem in the world. The "Start-up India" project was introduced with the goal of encouraging innovation and entrepreneurship by building an environment that supports the expansion of start-ups.

Tax Discount: In order to support the Made in India effort, tax rates were rationalized. India currently boasts one of the most competitive global economies and one of the lowest tax rates in Asia.

CHALLENGES:

The goal of the "Make in India" campaign is to establish India as a manufacturing powerhouse, and the government is going above and above to facilitate investment. The government has set up a special system to respond to all business entity inquiries within 72 hours. All regulatory systems will be closely monitored by this system in an effort to simplify and rationalize them. Although the government has developed an idea, it is not so easy to implement. Indian managers will face several difficulties as a result of this idea. Some of them have been attempted to be disclosed below -

Building the Most Devoted and Passionate Team: The creation of the most dedicated and enthusiastic employees is the first and most crucial task facing the Indian managers in order to successfully execute this campaign. Managers will need to find the staff members that have hidden talent and can work hard on the projects.

Establishing a Health Business Environment: Possibly another difficulty for business development is creating a health business environment. It has been noted that when it comes to innovation and development, Indian managers have been the strictest.

Increasing the competitiveness of Indian-made products: One of the challenges that lies ahead is making Indian manufactured goods competitive. It has been discovered that Indian goods cannot

compete with those made in other countries.

To stay up with the advancement of technology: Rapid technological development will be necessary in the future. The managers in India will need to be up to date with the global advancements in technology. This could be one of their difficulties.

New rivals from a number of international nations: For Indian managers, the "make in India" push will bring in more competition from throughout the globe. They must be prepared to take on this competition.

Talent and skill development: Another difficulty is helping Indian managers and employees develop their abilities. Programs for staff members' skill development must be initiated by the management.

Advancements in the domain of research and development: It has been noted that research and development is inadequate in Indian businesses. Compared to Indian enterprises, foreign corporations have made significant advancements in this field. For Indian enterprises, it will be difficult to accelerate research and development.

Monetary difficulties: One must also take financial difficulties into consideration. When it comes to financial considerations, it has been noted that Indian corporations do worse than foreign companies. The task of discovering more innovative approaches to raising capital sent a challenge to Indian management.

ADVANTAGES & DISADVANTAGES:

Natural resources abound in India. Both expert and unskilled labour is readily available and costs less than in other nations. India is quickly rising to the top of the global outsourcing rankings and is quickly becoming the most popular manufacturing destination for investors worldwide. The two main objectives of this project are to boost the Indian economy and satisfy demand. In contrast, India has a low "ease of doing business index" score. Labor laws, according to the Made in India campaign, have not been updated. One of the biggest drawbacks of manufacturing and investing in India is this.

Positives:

Creating jobs for as many Indian citizens as possible is one of the primary goals of the "Made in India" campaign. The country's youth have been identified as its main beneficiaries. Economic growth is provided as a result of India's product manufacturing, which will not only strengthen the trade sector but also raise the country's GDP. This is because new factories will be established, and various investments will be made, resulting in a massive flow of income into the Indian commercial sectors. The Indian economy, which is currently the seventh largest in the world, is expected to grow as a result of the inevitable flourishing of many industries, including India would inevitably turn into a center for the production of different commercial goods as the manufacturing sectors developed; this would

d lead to a large influx of foreign direct investment (FDI), which would strengthen the rupee against the US dollar's dominance. The Made in India initiative would allow these small producers a genuine opportunity to succeed in the market. Companies from all around the world investing in smalltime shops like these will significantly raise the brand value of Indian goods.

Negatives:

India's agriculture industry would bear the brunt of the Made in India campaign's detrimental effects. The fact that 61% of Indian Territory has arable land is commonly known. India's agriculture will experience some neglect when industrial industries are introduced. The "Made in India" campaign extends a warm welcome to foreign nations looking to manufacture goods in India. This automatically reduces trade barriers and attracts the interest of multinational corporations. But these businesses will not just entice the Indian populace; they will also subjugate tiny local company owners and drive them out of business. The relationship between China and India is already difficult for the nation; since the start of the "make in India" campaign, India has emerged as one of China's most potential competitors. This will inevitably exacerbate India's long exporting, architecture, textiles, telecommunications, etc. running conflict with China. As Made in India gains traction, it is possible that the situation between the two rapidly developing economies will worsen. This is because India has a younger and more skilled labor force than China, which will likely propel Made in India to new heights in the near future.

NOTABLE COMPLETIONS UNDER "MADE IN INDIA"

According to the Economic Survey 2021-2022, the manufacturing sector is showing a trend of positive overall increase in gross value addition (GVA) notwithstanding disruptions associated to COVID-19. In this sector, there were 62.4 million employed people overall in 2019-2020, up from 57 million in 2017-18. Driven by vaccinations made locally. In addition to quickly achieving 100% COVID-19 immunization coverage, India also emerged as a significant global exporter of critically needed vaccinations that can save lives in numerous developing and impoverished nations. Vande Bharat trains are a prime example of the "Made in India" success story. They are the country's first domestic Semi High Speed train, with cutting-edge coaches and a completely new travel experience for passengers. India's first indigenously built aircraft carrier is the INS Vikrant. In order to cut imports and become self-sufficient in this vital industry, India is setting new records in the defence industrial sector.

INFRASTRUCTURE SUPPORT:

In order to facilitate the rapid growth of the manufacturing sector, the government has established robust infrastructure to support the "Make in India" campaign. These are the infrastructure development's key characteristics:

Place more emphasis on the creation of smart cities and industrial corridors. To plan and

manage the Industrial Corridors, a new "National Industrial Corridor Development Authority" is being formed, The five developing smart cities are Gurgaon, Dholera, Shendra-Bidkin, Greater Noida, Ujjain, and the Delhi-Mumbai Industrial Corridors. The master planning for three new industrial nodes- Ponneri, Krishnapatnam, and Tumkur- along the Chennai Bengaluru Industrial Corridor is currently underway. In its initial phase, the Chennai Vizag Industrial Corridor and the East Coast Economy Corridor are being put into service together. With the assistance of the Japanese government, the country's northeastern region will be connected to other industrial routes. Approval of 21 industrial project with the emphasize on use of recycled water through zero liquid discharge system and central Effluents Treatment Plants 17 national industrial and investment zones have been approved. The establishment of 1033 ports. Increased modernization of IT infrastructure. Online application procedure completed. Aiming to train 144,000 young people a year. These are just some of the notable features of the infrastructure that the g government has constructed. Numerous advancements have been achieved as a consequence of this pro gram..

FOREIGN DIRECT INVESTMENT:

Large-scale, long-term investments made into a foreign enterprise by a government or corporation are known as foreign direct investments, or FDIs. An essential component of the "Make in India" initiative's success is Foreign Direct Investment (FDI). Increasing domestic manufacturing capacity through foreign investment is one of the initiative's main goals. FDI boosts the growth and competitiveness of many sectors by bringing in money, technology, and international experience. The Indian government has improved the ease of doing business and loosened rules to create a more welcoming atmosphere for foreign businesses. FDI inflows have surged as a result, especially in important industries like electronics, autos, and defense. Under the "Make in India" initiative, foreign businesses invest in India to improve the nation's manufacturing infrastructure as well as to foster talent development and job creation. Collaboration between local and international organizations promotes innovation and raises the general efficiency of the industrial processes by facilitating knowledge transfer and technology exchange. To sum up, foreign direct investment (FDI) plays a pivotal role in achieving t he objectives of the "Make in India" initiative by fostering economic expansion , technological progress, and the establishment of a manufacturing ecosystem that is competitive on a global scale.

CONCLUSION:

Thus, the "make in India" campaign presents excellent prospects for the Indi an economy, but it will also present some difficulties for Indian management.

The "make in India" campaign, spearheaded by Prime Minister Mr. Narendra Modi, will present challenges for Indian managers in the areas of skill development, research and development

deficit, labour-intensive technology creation, and raising the competitiveness of Indian manufactured goods. If these obstacles are effectively addressed, the Indian economy will expand at a faster rate.

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