



'Make in India' and 'Made in India'

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Abstract

Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfill the purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, Converting the India to a self-reliant country and to give the Indian economy global recognition. Make In India which is the recipe of Prime Minister Narendra Modi's aims to make India the manufacturing hub of the world. The idea of utilizing cheap labor to produce for the world is not new. In the present paper an attempt

has been made to throw some light on the concept of 'Make in India'. Further, an attempt has also been made to review the advantages of this concept and the areas which are going to gain benefit with this Modi's concept of Make in India. India is one of the world's fastest growing economies, the tenth largest in the world by nominal GDP and the third largest by purchasing power parity. India needs to identify the steps being taken to give more financial powers to states, increased investment on infrastructure, emphasis on manufacturing which enables to open the door for investment. This Make in India campaign guides the foreign investors, prompt response, assistance to foreign investors and provide relevant information and proactive approach. This paper covers overview of the Make in India campaign, sectors covered, Initiatives taken by companies, growth cycles, challenges, opportunities and foreign investment in Indian manufacturing. The present study is based on secondary data. The data has been extracted from the various sources like research articles, publications from Ministry of Commerce, Government of India, various bulletins of RBI and authenticated websites. The study found that, Make in India will bring a drastic change in the fields like automobiles, aviation, biotechnology, defense, media, thermal power, oil, gas and manufacturing sectors. Thus, we can conclude that, despite the fact that "Make in India" though came at a right time, its execution remains a big challenge.

Keyword : Economy, Make in India, Growth, Foreign Direct Investment, Opportunities and Challenges.

Introduction

'Make in India' is the initiative taken by the present government and our Prime Minister Shri hon.Narendra Modi had formally declared the policy pertaining to Make in India on September 25th, 2016 and within a very short span large number of countries are supporting this concept and started investing in different areas. The results till now have been mixed. It takes time to set up factories and thus capabilities and only then the returns can be judged. Ford has also decided to set up an automobile factory in Gujarat which is going to employ thousands again. Even Asus has decided to set up a handset manufacturing unit in India in Andhra Pradesh. Considering the above stories, the direct benefits would be in terms of inflow of foreign exchange, job creation leading to lower unemployment and also technological up-gradation. India since 1990's has particularly seen a rapid growth in service sector. For a country with 1.25 billion individuals and thousands joining the labor force every month, service sector is definitely not the best bet to absorb the job seekers. Made 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. In order to make this initiative a great success, we need to be at par with the advanced world as far as usage of modern technology is concerned and we need to have more clarity, maturity and intensity on quality aspects of our products. India's youth population is both a strength and threat. In order to bring the huge chunk of unemployed youth power in to employment stream, India needs to create millions of jobs every year. The new government is aware of this fact and that is why the Make in India campaign is so earnestly launched. Most of the western countries are rapidly ageing, whereas India will continue to remain young for next 2-3 decades. So the aging world will have to depend a lot on India. Therefore Make in India is not a short term programme, it will be an ongoing process. The Indian manufacturing industry currently contributes just over 15% to the national GDP. The aim of this Make in India campaign

is to grow this to 25%. In this process, the government expects to generate jobs, attract much foreign direct investment and transform India into a manufacturing hub. This campaign aids the investors by making India a pleasant experience and leads to overall development of the country. The major objectives of this campaign are to focus on 25 sectors of the economy for job creation and skill enhancement. The initiative hopes to increase the GDP growth and tax revenue. The initiative also aims at high quality standards and minimizing the impact on the environment, attracts 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. The logo for Make in India campaign is an elegant lion, inspired by the India's national emblem Ashoka Chakra and designed to represent India's success in all spheres. The wheel denotes the peaceful progress and dynamism - a sign from India's enlightened past, pointing the way to a vibrant future. The prowling lion stands for strength, courage, tenacity and wisdom - values that are every bit as Indian today as they have ever been. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality Pandit Deen Dayal Upadhaya who had been born on the same date in 1916.

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. Hence the present study is on Impact of Make in India and made in India Campaign.

OBJECTIVES OF THE STUDY

1. To study the overview of Make in India and made in India campaign.
2. To study the Make in India and made in India campaign main focus areas.
3. To study the initiatives taken by companies and various growth cycles of Make in India.
4. To study the effect of foreign direct investment in Indian manufacturing.
5. To study the major challenges, opportunities of Make in India initiative.

Concept of Make in India and Made in India

The 'Make in India' program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production with the country.

Make in India is intended to make India a manufacturing hub of the world. The idea was to increase the contribution of the manufacturing sector to India's GDP.

Make in India aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards and minimizing the impact on the environment.

Following are the major focused areas on which the Make in India is concentrating :-

- Automobiles
- Biotechnology
- Aviation
- Oil and Gases
- Tourism and Hospitality
- Chemicals
- Railways and many more

Government of India has allowed 100 % FDI (Foreign Direct Investment) in all sectors except Spare (74%), Defense 49%) and News Media 26%) and had launched four major policies under the 'Make in India ' program.

Policy for New Initiatives : This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency in Administration. Under this policy, the Government has already rolled out:

- Environment clearances can be sought online.
- All income tax returns can be filled online
- Validity of industrial licence is extended up to three years
- Paper registers are replaced by electronic register by businessmen.
- Approval of the head of the department is necessary to undertake an inspection.

Policy for Foreign Direct Investment Government of India has allowed 100 % FDI in all sectors except Spare (74%), Defense(49%) and News Media (26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defense sector has been raised from the earlier 26% to 49% currently. Policy for Intellectual Property Facts The Government has decided to improve

and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state of the art technology. The main aim of intellectual property rights is to establish a vibrant intellectual property regime in the country. Policy for National Manufacturing The vision of Make in India is to increase manufacturing sector growth to 12-14% p.a. over the medium term and to increase the share of manufacturing in the country's GDP from 16% to 25% by the year 2022. Further, the vision is to create appropriate skill sets among rural migrants and the urban poor for inclusive growth and to ensure the sustainability of growth, particularly with regard to environment.

Initiatives for the success of Make in India and Made in India

Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing. As India is very rich in resources both natural and human. The problem being faced in India is the direction and financial investment in different areas, because of which our economic growth is very slow and restrict us to compete with the developed nations. But, before getting the fruitful results of 'Make in India' we have take following initiatives :

- We can make use of all the resources to the best possible extent
- We can stop youngsters running abroad
- Their talents can be best utilized and can increase production in the country
- We can also increase exports
- Our foreign exchange reserves will increase
- We can have better position in international market
- All this is possible only when
- If Good number of talented youngsters come forward to take initiative in setting up enterprises
- Encourage healthy competition among the youngsters

Advantages of Make in India and Made in India

The concept of Make in India is a good initiative taken by the NDA Government and it is definitely going to effect the socio-economic growth of our country, especially in providing employment opportunities and industrial growth. To accommodate the 300 million people who will join India's workforce between 2010 and 2040, each year 10 million jobs are needed. It is

expected that the manufacturing sector will create about 100 million jobs by 2022. In addition to this the other advantages of Make in India are as under :

- Manufacturing sector led growth of nominal and per capita GDP. While India ranks 7th in terms of nominal GDP, it ranks a dismal 131st in terms of per capita GDP.
- Employment will increase manifold. This will augment the purchasing power of the common Indian, mitigate poverty and expand the consumer base for companies. Besides, it will help in reducing brain drain.
- Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.
- The urge to attract investors will actuate substantial policies towards improving the Ease of Doing Business in India. The Government of the day will have to keep its house in order to market Brand India to the world at large.

Challenges in Implementation of ‘Make in India and Made in India’

No doubt the above discussed advantages of Make in India concept will boost up our economic growth and the initiatives taken by the present government is being welcome by every corner of the world. It is very clear that countries and private sector players are showing their keen interest in this concept and are willing to invest in manufacturing sector, but, following are certain grey area's which needs immediate attention of the government for smooth implementation and success of this concept. India's labor laws are still ancient by most standards which makes hiring and firing and shutting down of inefficient units next to impossible. India, in one sense has a federal structure which reduces the Central government's power in pulling off such schemes and ideas. Provision of utilities such as electricity, water, infrastructure development such as roads, law and order, land allotment, are all under state government's gambit. Thus, cooperation of state governments is an absolute necessity for "Make in India." High level of corruption in India at all levels in the bureaucracy. This is the main reason the country has fared poorly in ease of doing business indices. India's investment in health and education leaves a lot to be desired. A skilled and healthy population is both: a good employee and a potentially good employer. India spends less than 3% of GDP for both health and education. China, on the other hand, spends more than 3% of a much larger GDP in favor of both. Political instability, law and order problem, social unrest, increasing crime rate are another challenges which restricts the countries to invest in India. Conclusion Make in India is an

ambitious project, but it is one that India desperately needs to kick start and sustain its growth momentum. With relentless policies towards this end, it is possible to make India the powerhouse of manufacturing sector in the world. At this moment, our Prime Minister's Make in India campaign appears to be an imaginative marketing campaign. But there is much thought and even more work that is required to convert this to reality. Fortunately, we have many natural advantages including a big labor pool and a large domestic market. In addition, with China's competitive advantage in manufacturing eroding. India has the opportunity to take some share of global manufacturing away from China. All we have to do to improve the ease of doing business in India are these stop tax terrorism, improve our infrastructure, reform labor laws, investment in skills development, easy land acquire laws, transparency in administration, liberalized government policies, good governance, Restore broken trust between industry and government, Implementation of Goods and Services Tax (GST) and fast tract approval. At the end it can be concluded that the concept of Make in India will definitely going to boost up the Indian economy and will help in meeting the major challenges of poverty, unemployment, low per capita income and help in sharing the burden of government.

Major Challenges of Make in India and Made 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 China'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.

- The economic impact of 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.

CONCLUSION

Manufacturing has emerged as one of the high growth sectors in India. The Make in India and Made 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.