



ORIGINAL RESEARCH PAPER

Management

“MAKE IN INDIA: FROM VISION TO REALITY”

KEY WORDS: Make in India, Business, Environment, PEST analysis, Labour laws, manufacturing

**Dr. Shakina
Tabbsum A.
Munshi**

Professor & HOD, N.R.V.I.B.M.S College

ABSTRACT

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 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 response 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? This proposed study seeks to identify various components in external environment that have the potential of proving to be an opportunity or risk of turning out into threat for make in India initiative. For the purpose of this study, PEST (Political, Economic, Socio-Cultural, and Technological) analysis of business environment would be performed. Research design is basically exploratory in nature and will employ inputs from reports and statistics of agencies of good standing.

2. INTRODUCTION TO MAKE IN INDIA

2.1 Emergence of make in India

Make in India concept that has been popular for its activities and implications, it seems to have been planted by Mahatma Gandhi in 1944 in its raw form as he was not professional economist. The objective of the Gandhi model was to “**Raise the material as well as cultural level**” of the Indian masses, especially those living in six lakh villages dependent mainly on agriculture and vagaries of nature. He emphasized on reform of agriculture, improving productivity and regional self-sufficiency in villages through cotton and village industries. Gandhi never opposed machineries, however, he always proposed for labour intensives to cut down the unemployment problem which was the requirement of that era.

In 1991, finance minister manmohan Singh, under the prime ministership of Narasimharao, developed liberalising, privatising and globalising. The economic situation of India, under the control raj, had gone so bad by that time that there was no other alternative available expect to throw the shackles of control raj away and adopt a modern open economy for the country by liberalising, privatising and globalising. This model essentially recognised that need for a change in the role of the government in modern developing economy.

This model essentially recognise the need for a change in the role of the government in a modern developing economy. The government however had a reasonably good success in area of liberalisation, which meant reducing as well as removing the shakes and allowing the private sector which meant reducing as well as removing the shackles and allowing the private sector, both domestic and foreign, to open up business with lesser restrictions and reservation in India.

However, the model has a few blocks like emphasis on corporate sectors, by passing agricultures and dread of joblessness in small and medium scale industries, surge intrade deficit and volatility in foreign exchange market, rise etc. Dr APJ Abdul Kalam, ex-president of India, has full-grown this concept of Provision of Urban Amenities in Rural Areas (PURA) Model, in supporting his dream for 2020 and 2030. The PURA Model comprises around connecting physical substructure, Electronic communication, Knowledge base economy and Economic Connectivity to improve prosperity in clusters of communities. The modest idea is to provide

urban amenities to rural poor.

The overhead specified development unit shaped the boost in manufacturing sector. The proportion share of manufacturing continued at around 15% and the part of agriculture ongoing lessening and share of services better over last 65 years. The manufacturing subdivision has met a tiptoeing rut over the past decade in India. The stress of past Congress management being on service sector, has controlled to step-motherly treatment to manufacturing arm. Modi ji has combined all development modules and given as his expansion module which emphasizes on agriculture, self-sufficiency, FDI, dipping trade debit and the highly is increasing the manufacturing. All ideas of development units of economics which suggests the bearable growth focuses on progress in manufacturing.

2.2 About Make in India

Prime Minister Narendra Modi leapt the Make in India enterprise on September 25, 2014, with the main goal of creation India a global engineering hub, by stimulating both transnational as well as national corporations to manufacture their harvests inside the country. Directed by the Separation of Industrial Policy and Promotion, the inventiveness aims to raise the role of the manufacturing sector to 25% of the Gross Domestic Product (GDP) by the year 2025 then its current 16%. Make in India has declared various new initiatives, encouraging foreign direct investment, applying intellectual property rights and emerging the manufacturing sector.

‘Zero defect zero effect’ is a key expression which has come to be related with the Make in India crusade. In the words of Prime Minister Narendra Modi, “Let’s ponder near production our product which has ‘zero defect’ and ‘zero effect’ so that the engineering does not have an opposing consequence on our atmosphere”. Thus, defensible growth in the country is being completed conceivable by impressive high-quality manufacturing standards while minimising environmental and ecological influence.

Within the small period of time, there are several illustrations of the creativity’s achievement. In December 2015, Micromax professed that it would put up three new-fangled manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan publicized it would set up a USD 12 billion account for Make in India-related schemes, called the “Japan-India Make-in-India Special Finance Facility” after the

Japanese Prime Minister Shinzo Abe's visit to the country. Huawei released a new Research and Development (R&D) property in Bengaluru and is in the procedure of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Flight signed a Memorandum of Understanding (MoU) with OIS Advanced Technologies to set up an industrial facility in India for producing drones. Foxconn publicised it would invest USD 5 billion over five years for R&D and generating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung Z1 in its plant in Noida while General Motors acknowledged that it would finance USD 1 billion to begin manufacturing automobiles in the capital state. And this is only the tip of the iceberg as there are many more proposals in the pipeline.

“Come make in India. Sell anywhere”, make in India.” Prime Minister Narendra Modi said while introducing his vision to the public. And it seems that the world is more than ready to embrace this vision, which is already set on a path to convert a reality.

2.3 key sectors in make in India

AUTOMOBILES	AUTO COMPONENTS	AVIATION	BIOTECHNOLOGY	CHEMICALS
DEFENCE MANUFACTURING	CONSTRUCTION	ELECTRICAL MACHINERY	ELECTRONIC SYSTEM DESIGN AND MANUFACTURING	FOOD PROCESSING
IT AND BPM	LEATHER	MEDIA AND ENTERTAINMENT	MINING	OIL AND GAS
PHARMACEUTICALS	PORTS	RAILWAYS	RENEWABLE ENERGY	ROADS AND HIGHWAYS
SPACE	TEXTILES	THERMAL POWER	TOURISM & HOSPITALITY	WELLNESS

It targets 25 sectors of the economy which range from automobile to Information Technology (IT) & Business Process Management (BPM). It also seeks to ease job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India' – a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development. The initiative is built on four pillars which are as follows:

New Processes • The government is introducing several reforms to create possibilities for getting Foreign Direct Investment (FDI) and foster business partnerships. This reform is also facilitates Ease of Doing Business.	New Infrastructure • Infrastructure is integral to the growth of any industry. The government intends to develop industrial corridors and build smart cities with state-of-the-art technology and high-speed communication.	New Sectors • 'Make in India' has identified 25 sectors to promote. It has also recently increased the cap of FDI to 100% in Defense and Pharmaceutical.	New Mindset • Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector.
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3. OBJECTIVES

- To identify numerous issues in the current business environment that are relevant to Make in India campaign
- To conduct PEST analysis of prevailing Business environment by considering issues identified
- To identify the facilitating and inhibiting aspects of business environment those have bearing on Make in India Campaign.

Research design	Exploratory
Types of data	Secondary
Tools of analysis	Conceptual survey
Sources of data	Newspaper, magazines
Sample area	India

5. LITERATURE REVIEW

- Paper published by Gunjan Bhagowaty, Management Development Institute, Gurgaon, he is focusing on the various issues and creativity of Make in India after 2014, his research paper aims to identify some of the key challenges in the path of development and recommend possible solutions to deal with the same. But the

researcher raise reality of the ground level, there are a lot of challenges that the government has to overcome in order to turn the vision of achieving a sustainable 10% growth in the manufacturing sector.

- Researcher also point out the key issues and suggest to government to take care at the time of turning Make of India vision. Some of the issues are improving the ease of doing business in India, Land Acquisition challenges, improving the employability of general and engineering graduates, Infrastructure development of major roads and highways in the country, Capacity addition in the power sector to meet industrial energy demand, strengthening the capabilities of the CISF to meet growing demand for industrial security.
- Researcher is hopeful that about significant and sustainable growth in the manufacturing sector and progress towards India becoming a global manufacturing hub. (www.crisil.com/crisilyoung-thought-leader/dissertations)
- Can “Make in India” make jobs? the challenges of manufacturing growth and high-quality job creation in India by Russell A. Green Will Clayton fellow, International economics james a. baker iii institute for public policy Rice University (<http://bakerinstitute.org/files/8588/2014>) stated that there is major Job issues and problems in India, therefore researcher finds that the modern service sector and the formal manufacturing sector are the true growth sectors for India. Both have exhibited moderate job creation on a low base. Formal-sector manufacturing, however, has the most potential for transformation under a more supportive policy regime. Researcher suggest that India needs to achieve two objectives: creating new jobs and shifting more workers into high-productivity sectors. Meeting both can provide large economic headwinds to the Indian economy for several decades.
- Role of HR and Financial Services in Making “Make in India” Campaign a Success by Samridhi Goyal, Prabhjot Kaur, Kawalpreet Singh, (www.iosrjournals.org) Researcher Focusing on the employment generation, boosting trade and economic growth, safe guard and sustain the overall development of INDIA and its citizen. He stated that fostering innovation, intensify skill development, generate employment opportunities, preventing brain drain and making the use of internationally standardized technology affordable for INDIAN citizens. In order to make INDIA a manufacturing hub its human resource and financial assistance will play a major role. Researcher highlighted the importance of the role of HR and Financial Services in making “MAKE IN INDIA” campaign a success; making INDIA a manufacturing hub and a bench mark of development and prosperity. Researcher suggest that There is need of reforms in industrial strategies to make India a manufacturing hub. Favourable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. There is a need for financial service providers and advisors who could work for these industrialists right from the beginning.

6. ANALYSIS

6.1 Effects on business environment

Essentials of the 3ds – democracy, demography and demand

India's democratic system has been integral for the progress in the country, helping bind its 65 per cent young population with the India growth story. With a population base of more than 1.25 billion, stable parliamentary system, technological advancement and quality resources at competitive price, India has over the years emerged as preferred investment destination for manufacturers and service providers. Government has been playing important role in highlighting above advantages, the essentials of Democracy Demography

and demand-on the global stage inviting foreign companies to set shop in India.

Impact on manufacturing

India is being projected as the manufacturing hub through make in India campaign, with the government promising to provide conducive environment for investors. Panels have been formed to help fast track investment proposals, overcome bottlenecks that obstruct the efforts for investing in India and provide consistent efforts in creating investor friendly environment. It is expected that the manufacturing sector in the country could reach to USD 1 trillion by 2025, with the sector accounting for around 25 percent of GDP and creating 90million domestic jobs by the period.

It's a go- Easy to set shop

Setting up operations in India is now becoming far more flexible, because of the changes initiated by the government. With most information available till now, India is providing easier and flexible programs for investors ready to ship their operations in the country. It's been a myth that one needs an Indian roots to start any business in country, but now more companies are established on their own.

Easing policy guidelines

The department of industrial policy and promotion has been focused at improving policies and guidelines for doing business in India. The emphasis has been mainly to rationalise and simplify the existing rules along with introducing technology for making governance more effectively and efficiently. A prominent change has been online availability of applying for industrial licence and industrial entrepreneur memorandum.

Development of smart cities and industrial corridors

As a developing country, more emphasis was given to develop friendly infrastructure that supports development in whole country. With the government announcing an outlay of around USD 8billion for creating 100 smart cities. Many international companies expressing interest to collaborate with Indian companies and government to build infrastructure, transportation, renewable energy and other Greenfield projects in the country. With regards to industrial corridors, following are on pick

- Delhi Mumbai industrial corridor
- Ahmedabad Dholera special investment
- Chennai Bangalore industrial corridor
- Bangalore Mumbai economic corridor
- Vizag Chennai industrial corridor

Offering strategic locations for doing business

Along with smart cities and industrial towns, India is rapidly developing various strategic locations for companies to establish their base in country. With more availability of multiple cluster for centres of excellence for manufacturing, engineering & design, skilled talent at competitive cost, India is at an advantageous position for establishing manufacturing facilities, engineering design and development centres as well as for sourcing from the country, Further, the country is emerging as one of the best global locations for talent as foreign companies are hiring Indians for top leadership positions for global positions.

7. FINDINGS

Make in India inventiveness is a truthfuleffort to recover the treasures of Industry and Manufacturing sector. Revitalisation of Trade sector is key to renewal of Indian economy. Digital India will help to keepinvolvement of Service sector but trade ormanufacturing sector has to propagate at much faster stride to out-pace service sector. It is not an informaltask. Government should board to increase influence of Industry or trade from current 16% to 35% in next 5 years.

Make in India will benefit to attain this goal but it originates

with its personal set of tests. Manufacturing is wealth and properties exhaustive subdivision which will need favourable atmosphere for professional. Labour disputes will be key obstacle which the govt is frustrating to grip finished employment improvements.

Moreover this, a main push is mandatory to improvement infrastructure of country. Govt has also set up 10,000 Crore start up account to inspire entrepreneurship. Principally impartial is to make bio network of small businesses in periphery of manufacturing hub like to Maruti model. Government will deliver all the endorsements under Make in India pledge in a time bound method finished single online portal.

8. CONCLUSION

The analysis shows two scopes of the opinions, one side is positive nature which expecting more asset by free flow of wealth. On the other side, it has disapproved as the reduced; it is approving what look like neo-Peruvian thoughts. As a temporary, Modiji should attention on creating commercial as easy and honest as likely, side-stepping fake props, decrease inflation and fiscal deficits, and guaranteeinga accurate exchange rate, and letting the market adopt which sectors should flourish. Investors from all over the place will then rushin to make in India. The country is moving away from a mixed to a capitalist. Economy with corporate honchosseeming set to get a "bonanza of sorts"and the poor a "nothing. Whatsoever, we can allow productive criticisms ratherthan political tricks. Since, there was evidence in the earlier that In 1983Illustrated Weekly loped an articledisapproving Operation Flood. India often call as the 'WhiteRevolution'. The partproceeded to say howNational Dairy Development Board (NDDB) and the IDC had totally lost theplot and India would never become self-sufficient in dairy products.

This article formed a tempest inIndia and the noise reached the parliament. It was a high and a low for Indian industry. At one close the news and media industry prided itself on finding the truth and reporting it to the common man. On the further end it was a low for the dairy industry and for one man in particular Dr VergheseKurien. By 1987 the Exhibited Weekly results were established to be incorrect and theentire controversy died down. The similar yearthe Jha Committee report found that theNDDB had taken the right steps and we were well on our way to victory. Indiahas later then become the mainmanufacturer of milk in the world. In 2014Prime Minister Narendra Modi hurled what would be additional revolution in the creation. 'Make in India' is the new chant and neutral was to encourage the production of goods within the country.

Hence is 'Make in India' economically moving from vision to reality stage. Of course it takes time to implement the programme, there are so many difficulties to implement that project but it is taking shape under the strong leadership of our PM Modiji.it needs new experiments and support of global market.

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