

MAKE IN INDIA ADVANTAGES, DISADVANTAGES AND IMPACT ON INDIAN ECONOMY.

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ABSTRACT:

This Government of India initiative was launched by Prime Minister Narendra Modi on September 25th, 2014. Make in India is a Lion's Step. So, pledged the prime minister of India, Narendra Modi, during the inauguration of the prominent 'Make in India' campaign. The program was introduced to bring the global investment from large production houses around the world in terms of electronics equipment manufacturing. 'Make in India' is an initiative of government of India to boost domestic manufacturing industry and attract foreign investors to invest into the Indian economy. Manufacturing sector in India currently contributes just over 15% to the national GDP.

The Indian government through this initiative aims to put to use its rapidly increasing workforce to productive use, realizing that service sector though contributing about 55-60% of the GDP cannot be the sole driver of the economy. In this research paper 'Make in India' an attempt has been made to review the advantages and disadvantages of this concept and to understand the impact of it on the Indian Economy.

Key Words: Make In India, Manufacturing, Technology, Growth, Entrepreneur Etc.

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INTRODUCTION:

Make in India is an initiative launched by the Government of India to encourage multinational, as well as national companies to manufacture their products in India. This programme was launched in 2014 on 25th of September by the PM at the Vigyan Bhawan in New Delhi. India emerged, after initiation of the programme in 2015 as the top destination globally for foreign direct investment, surpassing the United States of America as well as the People's Republic of China. Make in India is a campaign launched by the PM, Narendra Modi, which facilitates all the big business investors worldwide who want to do business in India. It is a big step taken by the government of India to reduce the level of unemployment faced by the youths of the country.

The aim of launching this campaign in India is to make India a world level manufacturing powerhouse which will definitely help in solving the biggest issue of Indian economy. This initiative was launched with new deals for foreign investors successfully in New Delhi with the top industrialists of India including Mukesh Ambani (Reliance Industries chairman), Azim Premji (Wipro chairman), etc.

The objective of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. In this course of action, the government expects to create more jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. After the initiation of the program, India would emerge as the top destination globally for foreign direct investment and a global manufacturing hub. Make in India program not only includes attracting foreign companies or investors to set up their business in India, but also encouraging domestic companies to increase the production within the country.

RESEARCH METHODOLOGY:

The study involves the data collected from the secondary sources. The secondary data has been collected from journals, Research paper, Newspapers, Literature review, Websites.

An Exploratory research was chosen in order to develop a profound understanding of the research topic and obtain in depth data about the research objectives.

OBJECTIVES OF MAKE IN INDIA:

1. To understand the concept of Make in India.
2. To understand the advantages and disadvantages of Make in India.
3. To understand the impact of Make in India on the Indian Economy.
4. Make in India is a renowned manufacturing hub.
5. Inviting various companies from around the world and encourages them to set up their factories and expand their facilities in India.

ADVANTAGES OF MAKE IN INDIA:

Let's have a look on the biggest advantages of Make in India.

- 1) **Boost India's Economic Growth:** The make in India campaign will lead to an increase in exports and manufacturing. An increase in exports will improve the economy and India will be transformed into a global hub of manufacturing through global investment using the current technology. Manufacturing will also boost India's economic growth and GDP.
- 2) **More Job Opportunities:** It will lead to the creation of many job opportunities. Around ten million people are expected to get jobs. An increase in investment will bring employment opportunities for the skilled labor force and this will form a job market.
- 3) **Attract More Foreign Direct Investment (FDI):** It will welcome more FDI. Since the government had promised to improve the ease of running businesses in India, it is going to attract many FDI. At the moment it has already received an amount of INR 20 K million from a proposal that was made on October 2014.
- 4) **Investment in India:** Through Make in India Project more companies are looking to set up factories, a unit known as "Invest India" is in the process of being put to place. This unit will be under the department of commerce and will be available any time to make it easy to carry out regulatory clearance within the shortest time possible ensuring that businesses are run in India easily.

- 5) **Improvement in Areas:** When a factory or an industry is set up in an area, it attracts labour, markets, and other people. With this, the financial status of the families which are living nearby to these areas will also improve. The area, its neighbouring places and the people living in these places will develop all together.
- 6) **Increasing the Value of Rupees:** Make in India will be attracting more Foreign Direct Investment and which will result in increasing the value of Indian Rupee against the American Dollar. This will also reduce the effect of the hegemony of Dollar over Indian Rupee.
- 7) **A Shift from International Brand to Native Brands:** Indians are attracted to international brands and do not pay attention to the indigenous brands, and this brings loss to indigenous producers. With Make in India, the indigenous products will get its recognition in the country, and these producers will start making profits.
- 8) **Technological Advancements:** Make in India allows Indians to use the latest technology. This campaign encourages Indians to make new technology. Attention is also given to improving the skills of labour in the country.
- 9) **Simplifying Business:** Make in India is an open invitation to manufacturers present in every corner of the world. For inviting as many manufacturers as possible, the government has removed many restrictions.
- 10) **Innovative Ideas from Young Generation:** The young generation of India never gets an environment within the boundaries of the country to develop their skills and implement their innovative ideas in the country, and therefore they leave India for getting better opportunities. Make in India will provide the needed environment in the country itself and will take innovative ideas from the talented young generation of the country.
- 11) **Development of Rural India:** When a factory is set up, it not only attracts labour but also attract development in that particular region. When a factory is set up in rural areas, then such areas are blessed with schools, healthcare facilities, markets, etc.

DISADVANTAGE OF MAKE INN INDIA:

Now let's have a look the biggest disadvantages of Make in India.

1. Exclusion of Agriculture: India is an agrarian country with 61 percent of the total land under cultivation. But, Make in India encourages industrial development and excludes agriculture from it.
2. Exploitation of Resources: Resources are limited in nature, while the demands of human beings have no end. Make in India focuses on developing manufacturing industries that consume many natural resources. This will endanger the survival of the population soon.
3. Loss to Small Entrepreneurs: Make in India welcomes other countries in India, and when these countries set up its manufacturing unit in India, they attract the local people toward them, and this brings loss to small entrepreneurs who are already struggling to set up their position.
4. Loss of Cultivable Land: The campaign focus on setting up of manufacturing unit in India. These manufacturing units can be set up at any place, and sometimes it also settles on those lands which are used for cultivation. Therefore, Make in India will destroy the worth of cultivable land.
5. Loss to Other Sectors: The Indian economy has three sectors, named the Primary sector, Industrial or Secondary sector, and Service sector, but Make in India is emphasising on Secondary sector leaving all sectors behind. As the economy cannot develop by developing one sector only, complete attention on the manufacturing sector will not bring economic development to the country.
6. Pollution: According to the data available, the Pollution Index of India is 76.50, and this level will surely increase after Make in India Campaign.
7. Loss for Small Entrepreneurs: The make in India campaign, welcomes foreign countries to manufacture in India with open arms, this automatically eases up the various restrictions over trade with foreign countries, inviting attention of the international commercial companies. However, these companies will not only seduce the Indian population but also would dominate the small local entrepreneurs and force them out of business.
8. Manufacturing based Economy: Indian economy is one of the largest economies in the world. It constitutes of three sectors i.e. agriculture, industry and services. Now the Indian economy majors up from the service sector which contributed up to 57% of the GDP. But with the introduction of the make in India campaign the economy is likely to rely completely on the manufacturing and exporting while the import industry will remain static.

This eventually will be a huge loss for the other economic sectors and would automatically reduce the advancement of make in India.

9. Bad Relations with China: The Indo-China relation is already a problematic cause for the country, with the initiation of the make in India crusade; India stands as one of the most promising rivals for China. This automatically has worsen the India's long term feud with China, gradually with the success of Make in India, it is possible for the situation to become worse among the two economically growing countries because India has the advantage of young and skilled work force over China which will expectedly take make in India to new heights in the near future.

MAKE IN INDIA: IMPACT ON INDIAN ECONOMY

The main focus of Make in India Campaign is mainly on 25 sectors. The supreme objectives of Make in India are as follow: These sectors are 1. Automobiles 2. Food processing 3. Renewable energy 4. Automobile components 5. IT and BPM 6. Roads and highways 7. Aviation 8. Leather 9. Space 10. Biotechnology 11. Media,Entertainment 12. Textiles and garments 13. Chemicals 14. Mining 15. Thermal power 16. Construction 17. Oil and gas 18. Tourism, Hospitality 19. Defense manufacturing 20. Pharmaceuticals 21. Wellness 22. Electrical machinery 23. Ports 24. Electronic system 25. Railways.

Almost every sector is capital-intensive and demands a lot of skill. So, with the more and more investment in these sectors, the main focus will be on increasing employment and the use of advanced technology.

It's Creates a policy framework to ease foreign investment, ease of business and management of intellectual property. This helps industries to establish their manufacturing bases in India.. Exports from such industries help in contributing to our foreign exchange reserve.

Most importantly, such an initiative helps bring critical knowledge about manufacturing and production into the Indian population. This initiative, by Mr Modi is literally inviting the rich and semi-rich countries to step in India and invest their money for the future of India.

It's like inviting the countries to set up their companies in India and manufacture in the territory of our country. Now, this initiative has a great impact on the economy of our country.

Obviously, if the big companies will setup their branches here, it will directly affect the GDP of India.

The main thing is that the focus is on the manufacturing sector, and the population of India is majorly middle-class or lower middle-class. So, the products manufactured by the foreign companies will be entirely for the upper section of the society. Hence, it is possible that the goals and aspirations of Make in India may not find much success.

Make in India initiative is an honest attempt to revive the fortunes of Industry / Manufacturing sector. Revival of Industry sector is key role to revival of Indian economy.

Digital India will help to maintain contribution of Service sector but manufacturing / industry sector has to grow at much faster pace to out-pace service sector. It is not an easy task. Government should target to increase contribution of Industry / manufacturing from existing 16% to 35% in next 5 years. Make in India will help to achieve this goal but it comes with its own set of challenges. Manufacturing is capital and resources intensive sector which will require conducive environment for business.

Labour issues will be major hurdle which the govt. is trying to handle through labour reforms. Besides this, a major push is required to upgrade infrastructure of country. Govt. has also set up 10,000 Cr start up fund to encourage entrepreneurship. Basically objective is to create ecosystem of small industries in periphery of manufacturing hub similar to Maruti model.

Government will provide all the approvals under Make in India initiate in a time bound manner through single online portal. However, as that quote goes „Never judge a book by its cover. So, today, we are not going to judge the Make in India initiative by its policies and schemes, but future results.

CONCLUSIN:

On a concluding note, it can be safely stated that make in India is an opportunity for everyone. It is a prospect, which if given time will flourish like a spring flower and would provide with the expected fruit. This India globalization method will bring a need for B2B marketing for each business to create global leads. The Global B4B Marketing is the best way

of creating new markets and growing your brand. All you require is consistency, passion and a good strategy.

Our Prime Minister Make in India campaign appears to be an imaginative marketing campaign. Make in India theme and also accept that this is an opportunity before us and we must cash it. This project will help us to stand globally with strong economy along with our Indian brand through Make in India. It Creates job opportunities and looks for overall development of India. But like every coin has two sides Make in India is not in the favor of agriculture development.

The government of India has taken number of steps to further encourage investment and further improve business climate. “Make in India” mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub.

Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of “Make in India”. “Start-ups in the fields of telecom, defense manufacturing, automobile, Internet of Things, financial technology modules and mobile internet have immense potential to succeed in the scheme of “Make in India”. Make in India scheme also focuses on producing products with zero defects and zero effects on environment.

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