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## MAKE IN INDIA – PROBLEMS AND PROSPECTS

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### ABSTRACT

*Make in India is a new concept. It is used by the Prime Minister of India on 25 September 2014. The “Make in India” campaign aims to make India the manufacturing hub of the world. A major national initiative which focuses on making India a global manufacturing hub. Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. The main objectives of the paper is to study the problems and prospects of the campaign i.e. Make in India. Secondary data is used for the purpose of the study.*

**KEYWORDS:** Make in India, Infrastructure, Technology and Development

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### INTRODUCTION

Make in India is the step towards the development by the Prime Minister of India on 25 September 2014 in New Delhi. He along extending and invitation to foreign firms to invest in India by saying that, “there is no need to leave the nation. We want our companies to shine as MNCs. The mega even was watched live in several cities in India and abroad through video conferencing, He urged the domestic as well as global investors not to look at India merely as a market, but instead see it as an opportunity. Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. Production in India is the theme of Make in India Programme. Production means creation of utility. Production is aimed at generating income or production is the synonym for income. Land, Labour, Capital and Entrepreneurs are the four factors of production. Land is the scarce resource and cannot be increased. On the other hand Labour, Capital and Entrepreneur are not in the category of scarce resources. To increase the production better coordination is required between these factors of production. Make in India is a step taken by the prime minister of India to invite entrepreneurs from national and international community to invest capital in Indian land and labour for production. Production in one accounting year is termed as GDP. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. The focus of Make in India programme is on 25 sectors. 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, biotechnology, space, thermal power, roads and highways and electronics systems. The initiative also aims to transform India from highly potential market to the powerhouse of manufacturing, thereby creating millions of job opportunities. In short the campaign has been concentrated to fulfil the purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, Coverting the India to a self-reliant country and to give the Indian economy global recognition.

### MAKE IN INDIA CAMPAIGN OBJECTIVE

The primary objective of this initiative is to attract investments from across the globe and strengthen India’s manufacturing sector. Ultimate objective to make India a renowned manufacturing hub for key sectors. Companies across the globe would be invited to make investment and set up factories and expand their facilities in India and use India’s highly talented and skilled manpower to create world class zero defect products. Mission is to manufacture in India and sell the products worldwide. The other

objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's Gross Domestic Products is increased to 25% in next few years. The logo for the Make In India campaign is an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916.



### **MATERIALS AND METHODS**

Research methodology helps us to systematically solve the research problem. Every kind of research study indicates with defining the research problem. Formulation of the problem is the first and vital step in research. Without a problem there is blind groping in the dark. The present paper titled as, "MAKE IN INDIA-PROBLEMS AND PROSPECTS". The objective of the paper is to study the different problems and prospects in the successful implementation of the Make in India programme. To achieve the objective of the study secondary data has been used. Newspapers and web-sites are the main sources from where the data has been taken for the paper.

### **PROBLEMS IN 'MAKE IN INDIA' PROGRAMME**

#### **INFRASTRUCTURE RELATED PROBLEM**

Infrastructure refers to the fundamental facilities and systems serving a country, city, or area, including the services and facilities necessary for its economy to function. It typically characterises technical structures such as roads, railways, bridges, tunnels, supply, sewers, electrical grids, telecommunications, and so forth. India spends 4.7% of GDP on infrastructure, compared to 8.5% of GDP in China. India is half in these areas compare to China. Much attention is required in these areas.

**DIVERSITY RISK** - Doing business in India for a new entrant (participant) is to assume that India is like China or another Asian country. The business culture of South Asia is distinct from the rest of the continent. With 23 official languages, India is more like a continent than a country. There is huge diversity exists in India.

**SKILLED LABOUR** - Skills is the basic requirement for Make in India Plan. According to the World Bank, India ranks 142 out of 189 countries in terms of ease of doing business. This is because of unskilled labour, complex taxation and poor infrastructure facilities.

**MADE IN CHINA** - India's make in India campaign will be constantly compared with China's 'Made in China' campaign. The dragon launched the campaign at the same day as India seeking to retain its manufacturing prowess (ability). Made in China is the biggest hurdle in the way of Make in India.

### **PROSPECTS IN MAKE IN INDIA PROGRAMME**

**SOURCE OF INVESTMENT**- Prime Minister noted that India ranks low on the 'ease of doing business' and added that he has sensitised Government officials in this regard. Make in India is planned to invite foreign investor to invest in India. Make in India scheme aims at eliminating unnecessary laws and regulation. With this India will become the ultimate destination for foreign investors.

**EMPLOYMENT** - Unemployment is one of the biggest problems of India and the campaign is aimed to transform the economy from the services-driven growth model to labour-intensive manufacturing-driven growth. Make in India scheme will create large scale employment opportunities to Indian people. This will help in creating job market for over 10 million people in India. A positive impact on employment will be apparent once the Make in India programme is effectively implemented.

**RECOVERY IN TRADE DEFICIT** - Make in India raises the share of the manufacturing sector in gross domestic product (GDP) from its current level of around 16 percent to 25 percent by 2022. This helps to reduce India's trade deficit through export.

**ECONOMICAL AND STANDARDISED PRODUCT** - The 25 sector in which Make in India works are 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, biotechnology, space, thermal power, roads and highways and electronics systems. Most of the goods related to these sectors are imported. With the execution of this plan it becomes easy for the Indian citizen to use the internationally standardised technology affordably and to get superior quality goods in Indian Territory.

**IT WILL BOOST TOURISM** - Make in India will ensure that tourism in the nation receives a boost because more foreign travellers will be attracted to India as a destination for quality goods. Apart from medical tourism, retail tourism is the last trend to catch on and Make in India could really capitalise on this.

**ECONOMIC GROWTH WILL BE POSSIBLE** - Make in India will ensure that growth receives a boost and India is firmly set on the path to economic prosperity. Economic development is possible if there is impetus for growth and Make in India provides this essential ingredient for national success.

#### **MAKE IN INDIA IS GETTING GOOD RESPONSE FROM COMPANIES**

- Samsung will manufacture Samsung z 1 in India.
- Airbus said it will manufacture its products in India and will invest 2 billion dollars.
- Hitachi agreed to set auto-component plant in Chennai by 2016.
- Huawei will invest 170 million dollars to set up R&D center in India.
- Mobile manufacturer spice will setup manufacturing facility in up with an investment of 500 crore.

#### **STEPS TO ENCOURAGE MAKE IN INDIA**

- Skill development programs would be launched especially for people from rural and poor ones from urban cities to meet the requirement of Make in India.
- 25 key sectors have been short listed such as telecommunications, power, automobile, tourism, pharmaceuticals and others
- Individuals aged 15-35 years would get high quality training in the following key areas such as welding, masonries, painting, nursing to help elder people
- The Government has signed a staggering USD 35 Billion investment deal with Japan for infrastructure development. As this is the area in which India is Behind from China
- Skill certifications would be given to make training process, a standard. Currently manufacturing in India suffers due to low productivity rigid laws and poor infrastructure resulting in low quality products getting manufactured.
- Over 1000 training centres would be opened across India in upcoming years.
- For companies setting up factories, "Invest India" unit is being set-up in the commerce department which would be available 24/7. The main focus of this department would be to make doing business in India easy by making all the approval processes simpler and resolving the issues in getting regulatory

clearances within 48-72 hours so that clearances are fast. To make this possible, special team would be available to answer all the queries related to help foreign investors/companies.

- The e-biz portal would be launched which would be real time and available 24\*7

### **LIMITATION OF THE STUDY**

- The entire study is based on secondary data.
- No primary data is being used in the study.

### **CONCLUSION**

India is a country rich in natural resources. Labour is aplenty (in large quantities). With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Favourable environment need to be established that should attract more and more investors from domestic as well as foreign countries. Make in India mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. Make in India is the Indian government's effort to harness this demand, skill development, generate employment, and boost the Indian economy.

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### **WEBSITES**

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<https://www.quora.com/What-is-the-progress-of-Make-in-India-campaign>