

Role of Make in India in Economic Development

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Abstract

Prime Minister Narendra Modi introduced Make in India on September 25, 2014, with the goal of getting more businesses, both foreign and domestic, to manufacture goods in India. The Department of Industrial Policy and Promotion is in charge of the project, which aims to double the manufacturing sector's contribution to GDP from its current 16% to 25% by 2025. With the goals of luring foreign direct investment, safeguarding intellectual property, and growing India's industrial base, Make in India has introduced a number of new initiatives.

Key Words: *Foreign Direct Investment, Foreign investment, industrial base.*

I. Introduction

Details on each of the 25 economic areas it aims to influence are available on the site. These sectors vary from transportation to information technology and business process management (www.makeinindia.com).

It also hopes to safeguard intellectual property, encourage innovation, promote skill development, and help people find jobs. The emblem for "Make in India," a lion constructed from gear wheels, is meant to symbolise the centrality of manufacturing to both the government's goals and India's economic growth. The project rests on the following four foundations:

- **New Procedures:** The government is implementing a number of changes that will increase opportunities for attracting FDI and encouraging the formation of new business alliances. There have been some efforts made to improve the business climate by reducing the impact of antiquated policies and regulations. To further boost India's position on the World Bank's 'Ease of Doing Business' index, this change is also in line with the index's criteria.

All industries can benefit greatly from updated infrastructure. The government's goal is to create technologically advanced and highly connected "smart cities" and to establish industrial corridors. Accelerated Intellectual Property Rights (IPR) registrations and an enhanced IPR registrations infrastructure help foster an environment conducive to research and development. Training for the sector's skilled workforce is being handled with the expansion of infrastructure.

- **Emerging Industries** "Make in India" has prioritised 25 different industries to promote, and is disseminating information about them via an online interactive platform.

Both the Railway and the Construction industries are now open to 100% FDI from the government.

Third, it has recently allowed full foreign direct investment (FDI) in the defence and pharmaceutical industries.

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- **Shift in perspective:** Traditionally, Indians have viewed the government's role as that of a regulator, rather than one of a facilitator. With this plan, the government's relationships with numerous sectors will undergo a radical transformation. Its primary goal is to participate in economic growth with the private sector.

Steps for the success of Make in India

- The Make in India programme is a smart idea that will stimulate the Indian economy and reduce the need for additional deficit funding. Because India has an abundance of both natural and human resources. India's economic growth is exceedingly sluggish and can't keep up with the industrialised countries due of the country's poor focus and allocation of resources. However, the following steps must be taken before the 'Make in India' programme may produce tangible results:

If a large enough number of young, talented people are willing to take the initiative to start businesses in their own countries, we can make better use of our resources, reduce the brain drain, and improve our standing on the international stage. However, this will only happen if the government provides the necessary support for these new ventures and encourages its citizens to get involved.

Advantages of Make in India

Nominal and per capita GDP both increased, and manufacturing was a major contributor. India has the world's seventh largest economy in terms of its nominal GDP, but its per capita GDP ranks a dismal 131st.

There will be a huge uptick in available jobs. As a result, the standard Indian's purchasing power will increase, helping to reduce poverty while also providing businesses with access to a larger pool of potential buyers. In addition, it will aid in stopping the brain drain.

India's BOP and FX reserves will both benefit from an export-led growth strategy, which is especially crucial in light of recent market volatility caused by repeated rounds of Quantitative Easing declared by major economies.

With foreign investment comes foreign wealth, but also foreign experience in areas like technology and innovation. This improvement in investor confidence is bolstered by the credit rating upgrading that has occurred simultaneously.

II. Conclusion

Even though the Make in India programme is a huge undertaking, it is essential for India's economy if it is to continue expanding at its current rate. Devoted measures toward this end could make India the global manufacturing centre. The "Make in India" campaign launched by our prime minister seems like a shrewd marketing blitz right now. However, much forethought and labour are required to bring this about. Fortunately, we enjoy several inborn advantages, including a large labour force and a substantial home market. Another contributing aspect is China's declining industrial competitiveness. India has the potential to take market share away from China in the manufacturing sector. To make it easier to do business in India, all that needs to be done is to put an end to tax terrorism, upgrade infrastructure, reform labour laws, invest in skill development, ease land acquisition laws, have transparent administration, liberalise government policies, practise good governance, repair the trust deficit between industry and government, implement the Goods and Services Tax (GST), and expedite the approval of tracts. In the end, it's obvious that the Make in India project is the key to resolving India's economic challenges including poverty, high unemployment, and low per capita income while also lightening the load on the government.

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