Make in India-An Initiative to Change The Economic Landscape of the Country

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Abstract

Manufacturing is believed to be the key to the development of a nation. In case of India it is the services which have lead the development. However, if India wants to unlock the door of growth and wants to provide employment to the millions of income seekers, manufacturing is the key. Realizing the imperativeness of the sector ‘Make in India’ was launched on 25th September 2014 by our prime minister, Mr. Narendra Modi. The new policy is launched with the objective of making India the manufacturing hub of the world. The initiative is a sales pitch focusing the key 25 industries to attract foreign investors. However to make it successful the areas of regulations, power, infrastructure etc. needs fixing up. This research paper is written with the intention to expound the concept of ‘make in India’ campaign, its importance and impact on the Indian economy after the completion of one year. The paper also proposes to identify and elucidate the work done so far; the key challenges and recommend possible solutions to deal with the same.

Key Words - Make India, Manufacturing, FDI, Narendra Damodardas Modi.

INTRODUCTION
The general elections of 2014 marked an important change in the Indian political history in many ways. Firstly, almost after three decades these were the first elections which gave a clear majority to a single party. Secondly, these were a presidential style elections and gave a clear mandate to Mr. Narendra Damodardas Modi, who was at that time chief minister of Gujarat; the state hailed has fastest growing
state. Mr Modi, the chief minister of Gujarat from 2002 to 2014, was very much popular among the business community for his progressive approach towards commerce and industry. In fact these elections were also largely contested and won as development of the country was the core issue unlike caste, community etc, theme.

Keeping with his theme of development, in less than three months of his joining office, the Indian Prime Minister on 15th August 2014, wheeled towards the initiative of converting India into a manufacturing hub of the world. This notion gave birth to the initiative “Make in India” launched on 25th of September, 2014 in a function held at the national capital. The government desires to achieve the growth of manufacturing sector by focusing on development of sectors like Automobiles, power, railways, textiles, media and entertainment, aviation, leather, electronics etc. The national program is designed to facilitate investment by eliminating red-tapism, promoting innovation by major bureaucratic reforms, deregulations and public-private partnerships. It targets to build best-in-class manufacturing infrastructure and enhance skill development so as to create environment favorable to that of setting up of business ventures in India. However, the vision though laudable is not easy to attain. There are a number of obstructions which the government will have to resolve before it can hope to achieve its dream of making India a global manufacturing hub.

**Objectives**

Based on the above; the paper has following objectives:
1. To understand the concept of make in India and its relevance in the Indian context.
2. To identify the work done so far by the central government towards the initiative.
3. To pinpoint the road blocks and recommend possible solutions to deal with the same.

**Research methodology:**
The main aim of the paper is to critically examine the Make in India initiative in the light of current scenario. The relevance of the
program, the road blocks and needed reforms have been dealt with in the paper.

The paper is based on secondary data collected from various sources. It draws heavily from existing literature, research papers, articles published in newspapers & magazines, blogs and reference website, and reports. The arrangement of paper is where first part deals with importance of manufacturing sector and relevance of Make in India in this construct. The second part deals with major road blocks and some of the government initiatives in this area. The third part discusses common problems and suggested solutions to these problems.

Limitations:

- Time is the major limitation as Make in India has been launched a year ago hence there is paucity of data and good research papers.
- The paper is based on secondary data so no empirical evidences are there.

Manufacturing: The Missing Link in India’s Growth Story

In 1993, the share of the manufacturing sector in the Indian GDP was 15 percent, and today, after so many years of industrial liberalization its share is still the same. This figure sounds even more disappointing when compared to the several rapidly developing economies (RDE) of the world.

Refer to Table 1 here

In the last five years from the year 2009 to 2013 the situation has become even grimmer. There has been a downfall in the share of Indian manufacturing sector in the global GDP from 2.2 percent to 2 percent. Whereas, the GDP of China in half a decade has augmented by almost 8 percent from 17.3 to 24 percent and so has the share of many other countries like Russia, Thailand, South Korea, and Malaysia and so on.

Refer to Figure I here

Not only is its share low in the country’s economy, even its contribution towards nations employment is quite unsatisfactory. The
total employment in the manufacturing sector in India in the last two decades has grown merely by 1.8 percent from 37 million to 53 million jobs.

Similarly, if exports are said to be the mirror of success or failure of a manufacturing nation, India’s shares in global exports at 1.7 percent, tells us the sorry story of this sector. On the other hand China has increased its exports from a mere 2.4 percent in 1993 to 11.5 percent in 2013(a staggering 379 percent increase), thus, positioning itself as the workshop of the world.

Refer to Figure II here.

The Indian economy is being led by the service sector which is primarily less labour-intensive than manufacturing. The services accounted for 32 percent of the total employment in the country in 2011-12 even though its contribution towards country’s Gross domestic Product was more than 55 percent. In contrary to this, the manufacturing accounted for 12 percent of employment while contributed only 15 percent to the GDP.

It is further expected, that a total of 250 million workforces will be added in next 15 years which cannot be absorbed by service sector alone only. Manufacturing sector has to be the driving force of the economy growth and potential job generators.

Relevance of the Initiative

The above statistics prove that the manufacturing sector (which has helped China to emerge as global manufacturer and challenge USA’s position of largest manufacturer) has not been able to play the critical role as in other countries. No country in the world has achieved high-income status without developing manufacturing to a point where it accounts for at least a high share (around 30 per cent) of GDP. (Ghose,2015).According to report by Mckinsey Global Institute manufacturing develops trade, R&D and productivity. it generates exports, employment and living standards of the people of the country.¹ The prime minister's 'Make in India' campaign for a rapid manufacturing-led growth is the eventual outcome of the above
evaluation. The movement not just endorses a rapid growth of manufacturing sector, but also advocates a lead role for manufacturing in India's growth process. The campaign is expected to generate hundred million jobs in the country. This will not only contribute to trade and commerce but also improves the living standards of the people and also reap other benefits of building manufacturing ability.

**Make in India- “The Policy”**

The Make in India website defines it as “a major new national program designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure”.

**Objectives of the Programme**

The National Manufacturing Policy 2011 had set out a few objectives to be achieved in a long term period of 15 years. These same underlying objectives the National Programme aims to achieve. The objectives are as follows:

- Increasing manufacturing growth to around 12 to 14 percent.
- To make manufacturing sector the engine of growth for the economy.
- To develop manufacturing sector so as to enable it to contribute a minimum of 25 percent to the country’s GDP by the year 2022.
- The policy also aims to create at least hundred million additional jobs in the manufacturing sector by the year 2022.
- To increase the global competitiveness of the Indian manufacturing sector.
- Ensuring stability of growth particularly with regards to environment.
- To develop and infrastructure and invite state of the art technologies.

**Making ‘Make in India’ a Success: The roadblocks. Refer to Table II here.**
Though the efforts of Government has moved India four places however, India's overall ranking and the individual rankings in various parameters clearly indicates that India is in crucial need of transformation to unravel the huge manufacturing potential of the nation. Some of the parameters (in sync with ease of doing business parameters) we here examine what areas are that need modifications as follows:

A) Business Regulatory Framework (BRF)

Business regulatory framework (BRF) of any country is vital for creating and promoting an efficacious business environment. The aim of the frame work should be to simplify the regulatory system so as to ensure speedy business startup, an easy contract implementation and registration, reduced cost of compliances of doing business and so on. In short the business regulatory framework should make the process of doing business in a country easy. A strong correlation is found between economic growth and the ease of doing business in a country. The PWC report the “Future of India: The Winning Leap”, terms India as a difficult market to do business. The report states Investment plans are often abandoned, not because the idea lacks merit but because the business environment presents too many barriers (Nally, Kapoor, & Juan, 2015).

Refer to Figure III here

Mutable and variable government policies, unnecessary tax compliances, stringent labor laws, difficulty in contract enforcement and getting permits are complexities which the central government should earnestly seek to resolve so as to ensure the success of make in India campaign.

B) Human Resources Development

India is expected to have one of the youngest populations in the world with about 65 percent of its people lying in the working age group 14 to 65 years. It is said that due to this demographic dividend (as it is popularly referred as) India is expected to increase its annual growth rate by 2 percent every year. This is in contrast to the demographic situation in many countries across the globe which has a greater
number of graying population. However, even though India has an abundance of human resource (which can be employed by the world over) there are some serious concerns over its employability. The human resource in India is mostly unskilled and the labor laws in India are quite anarchic. Both these pose a big challenge for the manufacturing industry development in the country.

Refer to Figure IV here.

C) Investment in Technology

Technology can play a pivotal role in reducing cost of operations, enhancing productivity, increasing growth and building a sustainable competitive advantage. Dozens in the industry are of the opinion that only technology adoption and strategically leveraging it will help Indian business houses to stay at par with their global counterparts and will also enhance their ability to deliver in the global market. Currently the expenditure done on research and development in the country is a miniscule 0.9 percent of the GDP. Out of which one fourth is done by private sector and residual by public sector. Thus, even though technology has been acknowledged to have the power of transforming Indian industries given the fact that we have leapfrogged with Information technology and BPOs in the global services sector still there are several hurdles before the Indian business before fully embracing the value technology has to offer.

D) Land

Manufacturing of any product requires setting up of an industry which in turn requires land. India ranks seventh in the world in terms of total land area. Even with massive industrialization shortage of land is not expected in the country. According to World Bank report 2014 India currently has 60.3 percent agricultural land. (Agricultural Land percentage of Total land Area, 2015).

There are quite a few precarious issues which prevent acquisition of land for industrial purposes; the most critical amongst them is small land holdings. According to the, State of Indian Agricultural Report 2012-13, 85 percent of the total operation land holding has a size of less than 2 hectares. The average size of the holding has in fact, as per
the report, declined from 2.83 (Kaul, 2015) hectare to about 1.16 hectare (Nataraj& Sekhani, 2015).

Fragmented land means negotiation has to be done with multiple land owners which delays the entire land acquisition process; adding to this we have resistance and protests from social activists. Land acquisition for industrial purposes is cumbersome, risky and uncertain process in the country

**E) Boosting Micro Small & Medium Sized Enterprises (MSME)**

The Harvard researchers have predicted an average growth rate of 7 percent annually for the next decade. They have also reported in their growth projections that the Indian GDP will be $4.50 trillion on their calculation of measure for economic complexity². If we understand this in Purchasing power parity (PPP) used by IMF and World Bank; India’s GDP will be at $15 trillion. (Minhaz Merchant, Jan 2016)

Micro small and medium enterprises (MSME) are the key players in this progress path. The MSME can support the development of new and modern entrepreneurs who in turn can create globally competitive businesses. The development of this segment is extremely imperative for the success of Make in India Policy as it can significantly contribute to both manufacturing and employment in the country (both rural and urban).

**Refer to Figure V here.**

The Micro, Small and Medium enterprises account for around 45 percent of the Indian industrial output and 40 percent of the country’s exports. Overall, the MSME currently contributes 8 percent to the Indian GDP where as its contribution in most of the successful global economies is somewhere between 25 to 60 percent³.

**Refer to figure VI here**

The MSME have the capability to increase their contribution towards employment to over 50 percent in the next ten years in India. The MSME can provide more employment at a much less cost when
compared to its larger counterparts. They can become the key drivers for India’s make in India objective.

F) Development of Infrastructure

India’s growth has always been stifled by its poor infrastructure. The United Nations ‘Global Competitiveness Report’ ranked India at 85th position among 148 countries for its infrastructure. One of the greatest threats that the industries in India face is that of chronic electricity shortage. Electricity is one of the most basic and indispensable input for the smooth functioning of both industries and households. Approximately one third of India has no access to it. Similar is the situation of roads and highways in India. Not much progress has been acquired in building of roads and highways with nearly half of the county is still unpaved. This situation has to be handled on the emergency basis when almost sixty percent of freight and nearly ninety percent of traffic is handled by roads. The quality of roads and highways are also disappointing and dismal. The same inefficiency is seen in both development and management of ports in India. Currently the nation has seventy three major ports, of which sixty are small and thirteen are major. Ninety five percent of external trade is handled by these ports characterized by cumbersome customs and laws. Thus if the government wants the industries to ‘make in India’ it has to make sure that at least the basic infrastructure like electricity, roads, railways, ports etc. are easy to access. To improve the infrastructure the government should focus on public private partnership and open its doors to foreign investment.

Government’s Initiatives to Get the Ball Rolling

As the make in India policy completes one year of its launch a survey conducted by PHD chamber on Make in India where 205 participants from MSME and large enterprises took part. They highlighted major issues which still need to be addressed. Amongst this administrative bottleneck was on top and lack of capital and financial resources at the lowest. other issues were Government regulation, power and water shortage, corruption and tax rates, access to land, labour costs and labour regulations.
We analyze and study some of the major initiatives taken by the government so far so as to remove the obstacles.

General Initiatives

✔ Streamlining the processes.

As an initiative to bring in ease in doing business in the central government has deregulated and de-licensed a number of sectors. Some of the important measures undertaken are as follows:

- The services of central government department and ministries have been integrated from the 3rd of December 2014 under one single IT window – the e BIZ.
- Through 24 x 7 e Biz portal, the entrepreneurs can apply online for industrial licenses and memorandum.
- The industrial licenses given will now be valid for three years.
- Simplification of regulatory process of doing business in India. For this the advisors have been sent for both state and central departments.
- A checklist of all the compliance to be uploaded by all ministries/departments web portal.
- Environmental clearances can be obtained online and returns be filed online.

✔ Foreign direct investment. In its endeavor to boost foreign investment in India, the current government has increased FDI limits in a number of industries like insurance and defene from 26 to 49 percent. Hundred percent FDI has been allowed in medical devices, telecom, single brand retail, asset reconstruction companies, construction, operations and maintenance of certain specific activities of railways. Many industries where FDI was already permitted; have now been brought under automatic route like petroleum refining by public sector units, stock exchanges and depositories, power exchange.
✓ **Skill India.** On the occasion of ‘youth day’ on 15th July 2015, our honorable prime minister launched ‘skill India’ with the objective ‘to make India the skill capital of the world’. Accordingly, the national policy on skills development and entrepreneurship 2015 was launched. The objective of the policy is to make the youth of India skilled with ‘speed, standard (quality) and to link the skilled with the demand centers’ (*National Policy for Skill Development, 2015*). However, apart from skill development emphasis should also be made to impart quality education to our students.

✓ **Smart cities.** The government has put in place the plan to develop hundred smart cities and modernization of existing mid-sized cities in the country. The smart cities would be equipped with high-tech communication capabilities, twenty four hours water and power supply, public transportation along with walking and bicycle tracks, water and waste recycling. Government has currently allocated INR 7 billion (*Kumar, 2015*) (and more investment is expected from the private sector) towards this project. The plan for the first such city Dholera in Gujarat is already complete and the process of land acquisition has been initiated. These eco-friendly cities which will, mostly be built along the Delhi Mumbai industrial corridor are expected to triple industrial output and double the employment opportunities.

### Industry Specific Initiatives

✓ **Automobile Industry.** The Indian Automobile sector accounts for 7 percent of the country’s GDP and employees nearly 19 million people. India is at present seventh largest automobile manufacturer in the world and produces 17.2 million vehicles annually. The government in order to promote research in this sector has proposed to give a number of tax incentives to the private players to set up R&D centers. The government itself has also set up research and development centers called NATRip (National Automotive Testing and R&D Infrastructure Projects) to boost R&D and growth in this sector. Further hundred percent FDI under
the automatic route has been allowed to boost foreign investment in the sector.

✔ **Aviation.** The aviation market of India is the most unexplored sector in the world. The per capita trips in India are approximately 0.04 which is a minuscule when compared to the per capita trips of USA which stands at approximately 2 trips. However, with the rising middle class population, from 160 million to approximately 260 million in 2016, would give a boost to aviation industry.

To boost the development of the aviation sector under the make in India initiative the GOI has permitted hundred percent FDI under automatic route for green field airport projects. Similarly for brownfield airport projects 74 percent FDI under automatic route, and 75 to hundred percent with government approval has been permitted.

As for the development of airlines the government has approved 49 percent FDI for domestic scheduled passenger airlines. However, hundred percent FDI is allowed for NRI’s. Further, hundred percent FDI is allowed in all technical institutes of aviation, flying training institutes and maintenance and repair schools.

Apart from the above, the budget 2015 has exempted duties on the import, repair, maintenance and overhaul of aircrafts or its parts.

✔ **Electronics design and manufacturing industry.** The worlds electronic systems, design and manufacturing (ESDM) industry which mainly comprises of the following products:

1. Desktops
2. Notebooks
3. Mobile phones
4. Television (flat display)
5. Digital cameras
6. Inverters/ UPS
7. LCD monitors and servers
8. Memory cards & USB drives

The 94 billion dollars ESDM industry which is growing by approximately 10 percent CAGR is calibrated as one of the fastest growing industries of the world. With a pool of capable (third largest) scientists in the world and availability of skilled manpower in the electronic design industry the Indian electronic manufacturing
industry has great potential to grow. However, according to a recent survey, in India, there has been a negative growth rate of items like computing machinery, television, Radio, communication and accounting equipment’s, has declined. Thus, considering the potential of the industry and need of the country; the Government of India has set its objective to attract at least a minimum investment of hundred billion dollars and generate employment for at least 28 million people.

To meet this objective the government has:

- Permitted hundred percent FDI under automatic route in the industry.
- Has proposed, in the budget of 2015, to reduce the custom duty to nil on LCD and LED panels and picture tubes.
- The government has also announced that at least 30 percent of all its electronic procurement will be from domestic manufacturers.

- **Defense**- Competent and third largest armed forces in the world and second in Asia; almost INR 30 to 40 billion is allocated to the defense sector annually. Out of this nearly forty percent is spent on capital acquisition for defense. India being the biggest importers of defence equipment’s with almost sixty percent of its requirements being met through imports; thus there is a huge scope and need for domestic manufacturing of defence products. Accordingly in the budget of 2015 the government has allocated INR 2200 billion for the development of Indian defence services. Apart from this, one billion was allocated for technology development for defence, thirty two billion for modernization of the infrastructure and development of railways in border areas. It has also allowed forty nine percent FDI under government route in the sector. The government is further planning to exempt basic customs duty on the imports of inputs required for manufacturing defence equipment’s. In addition to the above the defence procurement procedure has made, buying made in India product, its first preference.

- **Energy.** Mr. Piyush Goyal while answering a question in Rajya Sabha stated that India ranks fourth in electricity generation and
same in consumption too. Currently India produces 1108 TW of electricity. This production is expected to increase further as the demand for electricity is projected to reach 1905 TW by 2022. Recognizing the importance of the sector for the development of the nation, the government in the budget of 2015 has announced a number of financial and institution support to the sector. INR 1 billion was allocated for the preparatory work of setting up ultra-modern coal plants which would produce thermal power. Though India has jumped 22 positions in electricity supply which indeed is a good sign but yet much work has to be done.

Discussion:

Though it sets the start of new era of manufacturing in India; the ball is in governments’ court. To make India a manufacturing paradise; the manufacturing project clearance plays a crucial role. Key issues like labor laws, skilled manpower, state of the art technology and infrastructure is required. Efficient administrative machinery is the first and foremost step which will enable to cut down the procedural delays. Transparency in decisions and rules can make easy doing business in India. The low rank of India in ease of doing business only further confirms the grim situation of India. Further skill development can only be possible if there are good avenues for our youth to learn. Not many centres are there for skill development and if there are they are not in good condition neither updated. Moreover, only skill development is not enough it should be backed by good quality education. If we talk about infrastructure, land acquisition can be said to be the biggest constraint and cherry on the cake is the tax structure of the country. Moreover it has been observed that New companies Act 2013 has not been interpreted correctly and the act is supposed to be not in symphony with the growth of business. Food processing industry one of the sunrise sector needs revamping and proper quality standards too. MSMEs the crusader in the make in India campaign is also suffering from serious drawbacks which need to be addressed on urgent basis. The current manufacturing period is different from traditional manufacturing times. Only those manufacturers can succeed who are agile in adopting technology and
employ it skillfully. Nanotechnology and Innovation like robotics, 3-D printing will lead the manufacturing sector and create demands. However if there are problems then there are solutions to these problems too. The step has been taken in right direction all is required to remove the hindrances and move forward as is evident by the upward moving ease of doing business rank.

The government of India has made various efforts in the direction of making the scenario of doing business easy and simple. In this regard registration fees have been reduced to make it easy to start a business. The earlier physical stamp method of registration has been replaced by online method. Electronic filing of taxes has been enabled to make paying taxes easy. Time limits have been defined so that time for getting building permit is reduced. Number of other reforms have been announced and are in pipeline to facilitate simplicity and ease of doing business.

Just as, Rome was not built in a day this initiative too will take some time to mature. There are quite a few examples which reiterate the fact that this initiative is moving in the right direction.

- Mercedes Benz, world’s biggest German luxury car maker has committed to increase localization in its car manufacturing to up to sixty percent which are to be sold in Indian market.

- Volvo is working on the project of exporting its range of buses in other international market by making them in India.

- Hyundai Heavy Industries (HHI) of South Korea in collaboration with Hindustan Shipyard Limited, Vizag is going to build warships in India. This will reduce delivery period from six years to two years.

- Aviation segment comprises o two parts viz, military aviation and civil aviation segment. The ‘Rafale Fighter Jets’, deal with France (in the category of military aviation), it was agreed that India would import 36 fighter jets from France and the rest would be made in India by Hindustan Aeronautics Limited (HAL).
Alstom T&D India will manufacture electricity from two substations one in Betul in Madhya Pradesh and other in Navsari in Gujarat.

Azure Power India, commissioned its largest hundred Mega Watt solar photovoltaic (PV) plant in Jodhpur, Rajasthan⁶.

**Problems faced by business sector and suggested solutions in a nutshell:**

<table>
<thead>
<tr>
<th>Sl.no.</th>
<th>Parameters</th>
<th>Problems</th>
<th>Solution suggested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Starting a new business</td>
<td>Corruption, bureaucratic obstacles, preconstruction permit and clearances are time taking process, procedural delays, licensing requirements etc.</td>
<td>Licensing has to be simplified, removal of approvals at various stages and single window clearance.</td>
</tr>
<tr>
<td>2.</td>
<td>Labour laws</td>
<td>Labour laws are stringent and inflexible</td>
<td>Reforms in labour laws to improve inflexibility.</td>
</tr>
<tr>
<td>3.</td>
<td>Credit availability</td>
<td>Credit constraints, MSMEs have problem in availability of finances</td>
<td>Improving the flow of credit, introducing asset-based financing, customized capital solutions for MSMEs.</td>
</tr>
<tr>
<td>4.</td>
<td>Tax and its payment</td>
<td>Numerous documents required, cumbersome, difficulty in interpreting the tax laws, multiple taxes.</td>
<td>Single unified system for payment of taxes, passing and quick implementation of GST in order to streamline taxation system</td>
</tr>
<tr>
<td>5.</td>
<td>Environment related laws</td>
<td>Multiple stages of clearance,</td>
<td>Removal of multiple stage clearance</td>
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<tr>
<td>6.</td>
<td>Infrastructure problems</td>
<td>Poor availability of power, poor finance available for infrastructure projects. Reform in power sector by reducing dependency on one type of energy, availability of funds at low interest rates.</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Acquisition of land</td>
<td>Time consuming in registering of property, difficulty and delay in land acquisition leading to escalated project costs. Reduction in time for registering property, laws regarding land acquisition should be made simple.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Enforcing contracts &amp; Resolving insolvency</td>
<td>Slow court proceedings, complicated and time-consuming filing process, difficulty in interpreting New Companies Act 2013, ineffective and slow insolvency regimes. e-filing of proceedings as a norm, e-court systems, establishment of special tribunals for commercial cases, simplification and updating of existing laws in accordance to recent trends in industry.</td>
<td></td>
</tr>
</tbody>
</table>

*Source: compiled from various sources like World Bank, blogs & newspaper articles etc.*

Thus it can be summed up as there are still many problems which require government’s urgent action. Specifically to be mentioned that the problems related to factor of productions like land, labor, capital and entrepreneur needs drastic reforms for instance repealing of redundant laws, simplification of procedures, availability of capital at affordable rates and so forth. India is land of democracy, demand and
demography as has been pointed by our prime minister; therefore the reforms will only boost the Make in India initiative and make us globally present in manufacturing arena.

Conclusion

Mr. Modi’s government has risen to power with a lot of expectations from its people especially the youth of the nation who believe that this make in India initiative will empower them, encourage them to dream big and will provide a medium to turn their dream into reality. There is an army of mechanical, electrical and industrial engineers along with the pool of educated persons in various other areas who have been not tapped yet and underutilized. The employment generated by this initiative will provide them to opportunity to produce high tech manufacturing centre. There is a long journey ahead of us and time is most opportune as to how much the government will be successful in this endeavor. The manufacturing industry has been ailing for many years and was neglected in the stride of development. This initiative has been launched to revive the manufacturing sector. The roadblocks of draconian business regulations, lack of consensus on land acquisition laws, shortage of skilled manpower still dodge us down. However, with government having shown the commitment to overcome these hurdles by introducing programs like e-governance, skill India, development of smart cities and various other industry specific initiatives there is a light at the end of tunnel. If these initiatives are implemented in its true spirit we surely will have many more success stories to write about.

Further research:

- Industry specific implication of Make in India can be studies.
- Empirical studies can be conducted by surveying entrepreneurs and then analyze in the wake of Make in India the obstacles and needed reforms.
- Regional analysis can also be done to know which area is lacking manufacturing sector and how Make in India can be beneficial in those areas.
References:


12. Make in India is taking shape, global companies showing interest: Finance Ministry. The Economic Times 6th August, 2015;


## Tables and Figures

### Table I

**TABLE : I: Share of Manufacturing of the Rapidly Developing Economies in their GDP**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Country</th>
<th>Share of Manufacturing (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Thailand</td>
<td>34</td>
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<tr>
<td></td>
<td>China</td>
<td>32</td>
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<td></td>
<td>Malaysia</td>
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<td></td>
<td>Indonesia</td>
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<td></td>
<td>Philippines</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>15</td>
</tr>
</tbody>
</table>


### Table II

**Table : II: World Bank Doing Business 2015 Report- Rankings for India**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Parameter</th>
<th>DBS 2016 Rank</th>
<th>DBS 2015 Rank</th>
<th>Change in Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Starting a Business</td>
<td>155</td>
<td>164</td>
<td>+9</td>
</tr>
<tr>
<td>2</td>
<td>Dealing with Construction Permits</td>
<td>183</td>
<td>184</td>
<td>+1</td>
</tr>
<tr>
<td>3</td>
<td>Getting Electricity</td>
<td>70</td>
<td>99</td>
<td>+29</td>
</tr>
<tr>
<td>4</td>
<td>Registering Property</td>
<td>138</td>
<td>138</td>
<td>No change</td>
</tr>
<tr>
<td>5</td>
<td>Getting Credit</td>
<td>42</td>
<td>36</td>
<td>-6</td>
</tr>
<tr>
<td>6</td>
<td>Protecting Minority Investors</td>
<td>8</td>
<td>8</td>
<td>No change</td>
</tr>
<tr>
<td>7</td>
<td>Paying Taxes</td>
<td>157</td>
<td>156</td>
<td>-1</td>
</tr>
<tr>
<td>8</td>
<td>Trading Across Borders</td>
<td>133</td>
<td>133</td>
<td>No change</td>
</tr>
<tr>
<td>9</td>
<td>Enforcing Contracts</td>
<td>178</td>
<td>178</td>
<td>No change</td>
</tr>
<tr>
<td>10</td>
<td>Resolving Insolvency</td>
<td>178</td>
<td>178</td>
<td>No change</td>
</tr>
<tr>
<td></td>
<td>Overall Rank</td>
<td>130</td>
<td>134</td>
<td>+4</td>
</tr>
</tbody>
</table>

Source: [http://www.doingbusiness.org/data/exploreeconomies/india](http://www.doingbusiness.org/data/exploreeconomies/india)
Figure I

India and China's Share of Manufacturing in Global GDP in the Last Three Decades

Source: self constructed

Figure II

India and China's Share of Exports in Global GDP in the Last Two Decades

Source: Self Constructed
Figure III

Figure: III: Relationship between GDP per capita and Ease of Doing Business Rankings

Source: Future Of India The Winning Leap, PWC Report (www.pwc.in)

Figure IV

Figure: IV: India's Working Age Population

Source: Future Of India The Winning Leap, PWC Report (www.pwc.in)
Figure V

Figure: V
Employment Generated as a Percentage of Overall Employment Globally

KPMG report, -The New Wave Indian MSME, 2015,

Figure VI

Figure: VI
Global GDP Contribution by MSME

KPMG report, -The New Wave Indian MSME, 2015,