

“MAKE IN INDIA” CAMPAIGN: OPPORTUNITIES AND CHALLENGES**Dr. Neeta Uday Deshpande****M.Com, B.Ed, M.Phil., Ph.D., NET, LL.B.(Spl) LL.M, M.B.A****Assistant Professor, AGIMS, Sangli****Dr. Nitin Nayak M.Com. M.Phil., Ph.D.****Director, Bharati Vidyapeeths Institute of Management Kadamwadi, Kolhapur-3****ABSTRACT**

Now the “Make in India” campaign is the most lightening subject. It aimed at making India a world attractive manufacturing hub. It aims to pull out investors from different countries and make them to manufacture in India. The vision behind this campaign is to put the country on the global manufacturing map. It also desires to facilitate the inflow of new technology and capital, while creating millions of jobs. Make in India is an ambitious project, but there is a need to bring some changes in existing policies to make the India the powerhouse of manufacturing sector in the world. Make in India is a good opportunity for all Indians. It will generate crores of direct and indirect job opportunities.

On this back ground, the researcher feels, it is necessary to study and understand the different opportunities and challenges in achieving the objectives of this campaign. The data used in this paper is secondary in nature. Through the statistical data and gap between demand and supply, we can understand the opportunities for the manufacturing sector in India. If this campaign got success, India can overcome the problems of unemployment, brain drain and it could get success in using local talent for the development of local economy, creating Brand India etc. So the objectives for the study are: to understand the benefits of the campaign, to study the opportunities and challenges before ‘Make in India Campaign, to study about the start up of Make in India campaign and to study about the urgent steps to be taken to support the campaign.

The Government needs to invest in research and development and encourage innovation. There is an urgent need to develop different business models for sustainable development. To increase investor sentiment, there is need to improve the ease of business, improve the employability of management and engineering students, infrastructural development, capacity addition in the power sector to satisfy energy need of industries. The present paper contains different models of interaction between academia and industries for the skill development among the human resources.

Introduction:

Now the “Make in India” campaign is the most lightening subject. It aimed at making India a world attractive manufacturing hub. It aims to pull out investors from different countries and make them to manufacture in India. The vision behind this campaign is to put the country on the global manufacturing map. It also desires to facilitate the inflow of new technology and capital, while creating millions of jobs. To become a manufacturing nation, India has to create a clear strategy and favorable policy environment for manufacturing to take off. There is much thought and even more work that is required to convert this idea into reality. Make in India is an ambitious project, but there is a need to bring some changes in existing policies to make the India the powerhouse of manufacturing sector in the world. Make in India is a good opportunity for all Indians. It will generate crores of direct and indirect job opportunities. The Government needs to invest in research and development and encourage innovation. There is an urgent need to develop different business models for sustainable development. To increase investor sentiment, there is need to improve the ease of business, improve the employability of management and engineering students, infrastructural development, capacity addition in the power sector to satisfy energy need of industries.

As MSMEs contribute more than 45 % of India’s output, 40 % of total export, creates 1.3 million jobs e very year, importance must have to be given to the development of roaring MSMEs. For make in India, the definition of MSMEs needs to be changed. There is a need to encourage for innovation which could be done through budgetary support for innovation and incentives for MSMEs. ¹

Objectives of the study:

1. To understand the prospective benefits of the campaign.
2. To study the opportunities and challenges before ‘Make in India Campaign.
3. To study about the urgent steps to be taken to support the campaign.
4. To suggest a model for skill development among students
5. To give suggestions for the successful of ‘Make in India Campaign’

Data Base:

The present paper is based on secondary data only. Various books, magazines, daily news papers, websites relating to the present subject are used to collect the secondary data.

Advantages of the “Make in India” campaign:

- Reduction in unemployment problem: Indians will get more jobs so there will be less unemployment problem. Employment will increase manifold, purchasing power of Indian employees will increase.
- Reducing brain drain problem: Due to make in India campaign, employment will increase manifold. Youngsters will not move abroad, they will not even have to move to another city/state, all things they can get in their own city/state. It will result in to reduction in brain drain:
- No need to pay for foreign brand: If Make in India succeed, we don’t have to pay for foreign brands; we should be paid by foreigners for Indian brand.
- Strengthening the rupee value: Rupee will get stronger & competitive against other currencies in the world.

- Substituting imports and Exporting rate will increase: By this way India can save its currency and gain more foreign currency.
- Easy access to technical expertise and creative skills: Foreign investment will bring technical expertise and creative skills along with foreign capital.
- India can market Brand India to the world at large.

Opportunities for Make in India:

Medical devices Industry: At present, India is importing medical devices. Medical device industry can play important role in make in India campaign. As per the speech of Anuj Bose secretary general of NATHEALTH, The medical device industry has the size of \$ five billion and expected to grow 30 billion by 2022. India depends on import of electronic medical devices ie. 90% of requirement. If we gave emphasize on manufacturing these devices, we can earn forex. If the make in India regarding manufacturing of medical equipment become successful, there will be reduction in the cost of medical equipment by 30 to 50 %. Thus Hospital furniture, Trolleys, beds, wheelchairs, stools, syringes, needles, gloves, ventilators, X ray machines, sonography machines, glucose monitors can be manufactured in India.²

Tourism and Hospitality sector: India is famous for its rich cultural heritage, festivals, occasions, traditions, food, ancient monuments, religion, hospitality services etc. The foreign investment can be obtained in tourism and hospitality sector. This can also generates innumerable job opportunities for both specialized and non-specialized section of the society.

Indian Food Industry Sector: Indian food industry can be developed in such a extent so that Indian food items can be exported with Indian brand. Make in India refers to production in India with global quality standards. To take the Indian food in global market, there is a need to develop a strategy and encourage the Indian unorganized sector in manufacturing of the nutritious food items.

Education Sector: India has a strong base of institutions for higher education and scientific studies. Government can encourage these higher level institutes for business. Under the current regime of global knowledge society, the courses and programmes must keep pace with the developments in their respective fields in a facilitative inventive learning environment. By providing for training and education to the youth to support the make in India campaign is must.

Solar Energy Sector: In India, solar energy sector has full of potentiality to grow. This sector offers wide range of opportunities for Industrial participants. There is wide demand and supply gap. At present 67 % of total electricity production is based on coal, 16% on water project, 14% electro nuclear projects and only 3 % on nonconventional source. In India, Solar energy sector has full of potentiality to grow. This sector offers wide range of opportunities for Industrial participants.

Developing MSME sector: The share of MSME sector in GDP of India is 37.54 %. For the success of make in India campaign, the definition of MSMEs needs to changed. The present definition given by RBI is not in line with China, Asian countries, EU, Russia, Brazil, Japan etc.

Challenges before make in India campaign:

Only declaring the schemes and giving subsidies to business will not work well. At the ground level, there are lots of challenges that the government has to overcome in order to turn the vision of

achieving a sustainable growth in manufacturing sector. It is necessary to arrange for basic infrastructural facilities, transportation, power supply, etc.

From the following example, our government can learn the need to change the present scenario. India and Singapore both these countries were in the clutches of Britishers. Both become independent, but difference is that the PM of Singapore, Mr. Li Kuon has succeeded in changing all the British laws. Singapore government enacted new Acts which are favorable for the development of Singapore. He brought into practice the effective police, judiciary and arranged for timely dissolution of matters. He succeeds in bringing discipline and eradicated corruption. If our government wants to bring 'Good days' it should concentrate on bringing discipline and undertake the steps as Li Quon has succeed in his country.

- i. **Making Ease of doing the business in India:** The government have to improve the components of doing business will help to increase investor sentiment. Business indicators like starting a business, dealing with construction permits, getting license, paying tax, enforcing agreements and resolving insolvency.
- ii. **Reducing complications in tax payments:** It is necessary to develop a transparent and corruption free tax administration. Current tax system is headache where the manufacturer needs to pay tax, when the finished products moves out from the factory and it again taxed at the retail outlet when sold.
- iii. **Improving judiciary System for enforcing contracts:** In India, overall dispute resolution procedure is costly and time consuming. Due to the variety of cases, civil courts have piles of cases pending with them. In bank recovery cases also delay is observed, borrowers get sufficient time to protect themselves from further action of the creditors. To make improvement, SC should lay strict deadlines for dispute settlement.
- iv. **Maintaining Indian Brand:** Make in India seems to be giving protection to the Indian production business. But there will be a question of quality of products produced in India. The production system based on government protection will be a stress on Indian Economy. Instead of giving protection to Indian productions through "make in India" campaign; it will be better to make the Indian productions to compete in international competition. There is a need to adopt the quality circles and TQM in the manufacturing industries.
- v. **Business ethics and Social Responsibility:** As the Indian businesses internationalize their activities and raise capital from foreign countries, they need to follow the global governance standards in their operations. Every stakeholder of the business expects the business to behave in an ethically responsible way.
- vi. **Need of capacity addition in power sector:** At present, 18.6 % of the total electricity production is used for household purpose, 24 % is required by business purposes, 17.4 % is used for irrigation in agriculture. And remaining 22.6 % is wasted in and in supply. It is estimated that by 2030, there will be 23.5 % consumption for household. There is a demand of 960 billion Units of electricity in 2014. India produces 1000 billion units but it faces deficiency due to wastage of 22.6 %.
- vii. **Encouraging Innovation in MSMEs:** With budgetary support, it can be done to develop innovation and incentives for MSMEs that innovate. Innovation was the key to America's development in 20th century. Manufacturing industries should give emphasize on innovation in process, practice, new technological equipments etc.
- viii. **Inculcation of saving habits among the people:** Some may raise the question that why we should depend on foreign capital?. The answer is due to lack of sufficient capital in India. The capital can be generated in India, Saving is the best source of generating capital. Saving should not be kept under

lock and as its purchasing power will reduce over a period of time. Government should introduce safety and risk less saving schemes, so that unproductive money will come in circulation.

- ix. **Investing in skill development to enhance the employability of students:** Good quality skilled human resource in a country is the greatest asset for any company. There is a vast skill gap between skills of students and current market needs. The link between the educational institutes and industry is missing. Universities Educational institutes should make a tie up with local organizations, companies to use the training facilities for enhancing the skill development and increasing their employability.

Model for skill enhancement:

The greatest asset of any firm is its human resource. Companies will set up manufacturing facilities in India only if it is able to find requisite amount of good quality skilled labour in the country. There is a severe mismatch between employers need and the skills of the graduates. It is impossible to produce tailor made engineers or managers, but if institutions are taking efforts for regular and structured interaction between academia and industries, students will get opportunity to prepare for continuously changing job requirements. On behalf of theoretical course curriculum, the practical touch should be given to the existing courses. Professional education providing institutes should arrange for interaction with industries.

Model 1.

University

Various need based programmes

Educational Institution

Coordinator

Faculty members

Students

By considering the requirements skills of companies and local organizations, university should develop the curriculum and undertake various programmes. Management institute will have a tie up with the university to undertake the responsibility of a particular programme. Any interested faculty member can play the role of co-coordinator and other faculty members can be delegated the different activities which have to get done by the potential students.

Model 2.

Institution

Companies / organizations/ Entrepreneurs/ Business men

Research and Training Center

Research Center Co-ordinator

Co- Faculties having research knowledge

Statistical analysts

Students

At the institutional level, Institution can take the help of local organizations, entrepreneurs, traders, bankers as the members of research center. The director/ principal can be the chairman of research center and other co-faculties can be assigned the work of group leader. The MBA students or students having sufficient knowledge of research can work for different organizations to collect the data required for the organization. The research center will help all the interested who desires to collect the primary data about market, customer preferences, expectations of the customers, finding out the gap between demand and supply of the skills etc. Institution can also organize different training programmes as per needs of the organizations.

Model 3:

Technical/ Management Institutes
MOU with companies in different Sector
Automobile, Power, Consumer electronics, Heavy machinery, Construction, Defense etc
Employability Enhancement Training Programme
Enhancing various skills among students
Absorbed by respective companies / organizations

The professional education institutes can sign MOU with different companies in different sectors mentioned above. With mutual understanding, as per the need of the organization, employability enhancement training programmes can be organized. The students in their respective fields can undergo the training course along with their theory course. After the successful completion of degree course and the training course simultaneously, they can undergo the recruitment process decided by the organizations. If the organization finds that there is potentiality among the students, they can absorb in their liking field. This will reduce the time and cost of training. The students can enhance their employability simultaneously with their graduation or post graduation.

Suggestions:

- i. The government should reduce barriers so that Indian manufacturers can compete with the best in the world and major companies can come and open factories in India and create jobs.
- ii. Priority should be given to transparency and stability in economy. Transparency and stability directly correspond to sustainability.
- iii. A business-friendly environment has to be created by easier approval of projects and setting up of hassle-free clearance mechanism.
- iv. By considering the future demand for medical devices, as there is high growth potential in Indian markets, the emphasize can be given on manufacturing of these devices.
- v. Household savings should be promoted with tax incentives. This is needed because household savings are needed for complete utilization of FDI. Household savings and FDI work in concurrence with each other.
- vi. India's small and medium-sized industries can play a big role in making the country powerful. But it is necessary to focus on novelty and innovation. The government has to chart out plans to give special privileges to these sectors.
- vii. There is a big role the government can play. Several industries and govt bodies already exist to facilitate MSMEs but there is need to provide concrete help to this sector.
- viii. Lastly, to make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country.

Conclusion:

Right now, trying to rapidly turn India into a manufacturing economy and that 'Make for India' is a more sustainable option for India. If the labour intensive manufacturing and industrial production could blossom in India, it would prove a great thing for Indian economy. India needs to create lots of job opportunities to employ its booming population. Creating healthy business environment will be possible only when the administrative machinery is efficient. Vast improvements are needed in

infrastructure, education and business regulation. There is necessity to remove the unfavorable factors to make the country a manufacturing hub. India's small and medium-sized industries can play a big role in making the country a manufacturing hub. But we have to keep mind that, whatever product we design/manufacture/develop, there is a need to focus more on quality rather than quantity.

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