

Make in India: A Way to develop developing economy in special reference to India

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Abstract: - With the help of this paper, effort is being made to present the new investment project of Prime Minister Mr. Narendra Modi, ‘Make in India’ which is a new national program designed to facilitate investment (both domestic and foreign) in INDIA, fostering innovation, intensify skill development, generate employment opportunities, preventing brain drain and making the use of internationally standardized technology affordable for INDIAN citizens. In order to make INDIA a manufacturing hub its human resource and financial assistance will play a major role. Men and Money being the two most vital organ of a business demands careful capitalization and continuous innovation. It is the new mantra and the objective was to encourage the production of goods within the country and Making India the manufacturing hub of the world economy. This paper covers issues of the make in India, sectors covered, worldwide and positive responses and some critics. However, this paper is concluded as optimistic manner that the ‘Make in India’ is economically viable.

Key words: Global, goods, economy, demand, HR and Financial services

Introduction: - Make in India is a new national program designed to transform India into a global manufacturing hub. It contains a raft of proposals designed to urge companies — local and foreign — to invest in India and make the country a manufacturing powerhouse. India is a country rich in natural resources. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe.

The Prime Minister of India Shri Narendra Modi has introduced this Make in India concept few months back to give the red carpet welcome to the Business entities to invite their co-operation.

The Main Motto of The Government of India is to invite business entities from all over the world into Indian Manufacturing industry. For this GOI is trying to simplify the rules and regulations to invite investment from foreign investors.

A Well dedicated cell has been created by GOI to answer the queries from business entities on a website portal called www.makeinindia.com. This cell has identified many frequently asked questions (FAQs) through which investors will be able to find his answers to the questions raised by them.

Moreover, the special technical backend team will answer special specific questions within the time limit of 72 hours if the question of the investors has not been satisfied.

Also the investor facilitation cell will help the foreign investor from the time of his arrival to the time of his departure so that he can get relevant information and necessary assistance from the cell regarding investment plans.

The Make in India campaign will help the selected Domestic companies who are having innovative ideas in field of manufacturing so that they all can be given necessary help and facilities to expand their business. Through Make in India the Scope for the job seeking students will rise in coming months. It is assumed that there will be plenty of Jobs creation through Make in India which will also give the Boost to various job sectors.

Rationale of the study: - With increasing globalization and rapidly changing dynamic trends, India too needs to develop its infrastructure in order to militate its presence in the global picture and to match the rising demands and the living standard of its citizens. The most easy and important way to keep pace with the environment for a country is to develop its manufacturing sector. When more global and local players will invest in a country, it will boost the trade and economic growth, develop its infrastructure, and generate more employment opportunities for its citizens. Mere launch of Prime Minister Mr. Narinder Modi’s “MAKE IN INDIA” campaign is not enough. The success of this campaign would depend upon potential, availability and skill set of its work force along with the availability of financial services required to propel the operations and growth of a manufacturing unit. The study focuses on the importance of various available modes of financial services along with the focus on how the potential of country’s work force can be capitalized and enhanced in order to bring the desired change and accelerate the desiderated growth of Manufacturing Sector in INDIA. The main aim behind this study is to bring forward the role of “Make in India” campaign in order to build best in class manufacturing infrastructure in India.

Objectives of the study:- The health of India's Manufacturing Sector cannot be revived only by announcing campaigns or focusing on fiscal policy. The objective of the study is to:-

1. To identify how "**Make in India**" campaign can help in developing Indian economy.
2. To identify the impact of HR & Financial Services on the development of Manufacturing sector in India and overall Indian economy.
3. To identify various reasons why do manufacturing companies prefer China and not India?
4. To understand the importance of capitalizing human potential that is essential for the growth of Manufacturing Firms.

Research Methodology

Research Type: Descriptive Research

Type of Data/Data Source used: Secondary Data

The present study is based on **secondary data**. Basically, the required information has been derived from

1. Articles from Newspapers, Magazines and Journals
2. Various related web-sites

Limitations of the study

1. The study is based on published data and information. No primary data is being collected.
2. Every care has been taken to entice qualitative and correct data; still secondary data have collected for the purposes other than problem at hand.
3. The objectives, nature and methods used to collect secondary data may not be appropriate to the present situation.
4. Secondary data may be lacking in accuracy, or they may not be completely current or dependable.
5. Time constraint remained the major limitation in the study
6. The biasness can always be there.
7. Before using secondary data, it is important to evaluate them on above mentioned factors. So, it consumes the same time as the primary data.

Why do manufacturing companies prefer China and not India?

1. Existence of ancillary industries: In order to manufacture the end product (mobile, laptop, car) you need nuts, bolts, screws or other smaller manufactured goods. Establishment of these ancillary industries in China over the years has made it a manufacturing hub.

2. Cheap Labor: The reason why China has been always preferred for setting up any manufacturing unit is the low labor cost. Even though the labor cost in India is also low due to huge population, China was well ahead of India in the 90's and this gave it a head start. As a result of this China already has a strong reputation for manufacturing across the globe.

3. Red Tapism has been one of the factors which repel companies from setting up manufacturing/business units in India.

Sectors covered

The focus of Make in India programme is on creating jobs and skill enhancement in 25 sectors. These include: *automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defense manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, mining, bio-technology, space, thermal power, roads and highways and electronics systems.*

What comes in the package?

Global investors have been unsparing in their criticism about complex rules and bureaucratic red tape that delay investment decisions. India ranks 134 out of 189 countries in the World Bank's ease of doing business index in 2014. As part of Make in India initiative, foreign investment caps in construction will be eased to enable greater participation in the NDA government's 100 smart cities project and affordable housing. The initiative will also target top companies across sectors in identified countries. It urged investors not to look at India merely as a market, but instead see it as an opportunity.

Understanding the importance of human resource & financial services in manufacturing sector in India and its impact

India’s current ranking in the world in factory output is 10. Its overall contribution to Indian GDP is 28% and it engages nearly 17% of the total work force. The basis of any manufacturing organization is governed by the quantity of money it is willing to invest and the kind of people who are going to work in it. For transforming the health of the manufacturing sector and in order to make it a most preferred destination for domestic as well as foreign investors and industrialists, it is very much important to promote both fund based and non-fund based financial services. Manufacturing firms to withstand the global competition, and to ensure their long term sustainability, have to invest in huge quantity in setting up and developing its infrastructure, raw material, skill development of its human resource, and R&D. Hence, the manufacturing houses need such sources which should make the finance available as and when needed. Such a continuous need of inflow of heavy finance can only be satisfied by the financial services. The attention of the domestic as well as foreign manufacturers can only be sought if the investment climate is made favorable. As the investment climate is directly proportional to manufacturers’ way of thinking, hence, this climate needs to be favorable in every aspect. The current technological status, available mode of finance and human resource skill set and its availability needs to be identified along highlighting the development initiatives and future imperatives that are required to make India a manufacturing hub and most preferred investment destination for both local and international players.

Major highlights of the Make in India plans are as follows:

1. Invest in India cell: An investor facilitation cell set up by the government will act as the first reference point for guiding foreign investors on all aspects of regulatory and policy issues and to assist them in obtaining regulatory clearances. The cell will also provide assistance to foreign investors from the time of their arrival in the country to the time of their departure. The information & facts that potential investors need for each sector have been compiled in brochures.

2. Consolidated services and faster security clearances: All central government services are being integrated with an e-Biz single window online portal while states have been advised to introduce self-certification. The ministry of home affairs has been asked to give all security clearances to investment proposals within 3 months.

3. Dedicated portal for business queries: A dedicated cell has been created to answer queries from business entities through a newly created web portal (<http://www.makeinindia.com>). The back-end support team of the cell would answer specific queries within 72 hours. The portal also boasts of an exhaustive list of FAQs answers.

4. **Interactions with the users/visitors:** A pro-active approach will be deployed to track visitors for their geographical location, interest and real time user behavior. Subsequent visits will be customized for the visitor based on the information collected. Visitors registered on the website or raising queries will be followed up with relevant information and newsletter.

5. **Easing policies and laws:** A vast number of defense items have been de-licensed and the validity of industrial license has been extended to three years.

Benefits of enhancing and capitalizing human potential

1. **Growth in Sales:** When good quality products will go into the hands of the consumer, the satisfaction of consumer will result in increase in demand of the goods. Hence, the sales will be boosted which in turn will boost the production and hence the manufacturing unit will flourish.

2. **Cost Reduction:** Up to date trained and knowledgeable work force will decrease and automatically omit the defects for the production system which will in turn bring the cost of production down.

3. **Focus on Organizational Goal**

4. **Reduction of time** taken in creating strategic or operational changes by communicating the changes through a new set of goals

5. **Organizational development**

Conclusion

There is need of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. There is a need for financial service providers and advisors who could work for these industrialists right from the beginning i.e. right from clearance of the project. Improved quality and better performance management system needs to be in place to guide, monitor and enhance the skill set of its work force. Mind set of Industrialists both foreign and domestic towards India needs to be changed. On the basis of the study it can rightfully concluded that People and money, both are the organization's greatest competitive edge. It is essential to unlock the human talent for the success and sustainability of any organization. The development, prosperity and sustainability of India as a Manufacturing hub clearly depend upon the immense potential of its human resources and the financial services. Employees possessing high value and unique intellectual skills significantly contribute to generate intellectual products. If India successfully provides the industrial houses all this then it will

certainly become a world manufacturing hub. This study both empirically and rationally explained the patterns through which India can become a manufacturing hub. Favorable investment climate, assistance of financial services, relax and industry favorable government policies are the essential ingredients of “MAKE IN INDIA”.

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