

Make in India

[UPSC Notes]

What is Make in India?

Make in India is a campaign, launched on September 25, 2014, by Prime Minister, Narendra Modi with the aim to bring back the straggling domestic manufacturing sector and revive the economic downfall being faced by the country. Make in India Project was built with the vision to provide wings to various government schemes that can flourish the growth of the Indian economy.

Make in India Overview

Below is a basic overview of the Make in India project that can help you in understanding the program more clearly-

Highlights

Make in India initiative by

Make in India launched on

Make in India sectors

Government Ministry

Make in India official website

Details

Prime Minister, Narendra Modi

25 September 2014

25 sectors involved

Ministry of Commerce and Industry

www.makeinindia.com

Make in India Logo

A lion appears in the Make in India logo. It has the shape of a lion with cogs inside. This stands for entrepreneurship, strength, and pride in one's country. The Make in India Logo was designed by Wieden+Kennedy



Objectives of Make in India

The fundamental objective behind the launch of Make in India was to come up with unique ideas to bring the attention of the international investors so that they can invest in India and this would ultimately lead to the development of the manufacturing sector. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, is leading the initiative with the following objectives-

- Raising the manufacturing sector growth to 12-14% per year.
- Create 100 million additional jobs in the manufacturing sector by 2022.
- Enhance the manufacturing sector's share in the GDP to 25% by 2022.
- Creating required skill sets among the urban poor and the rural migrants to foster inclusive growth.
- A rise in the domestic value addition and technological depth in the manufacturing sector.
- Having an environmentally-sustainable growth.
- To promote export-led growth.
- Augmenting the global competitiveness of the Indian manufacturing sector.

Make in India Project

Since the Make in India project is unique, it was suggested that the project should be marketized apart from the traditional manner. They stood with the vision to put forward the idea of educating the masses about the project and making it a global success by:

- Boosting the confidence among Indians about their capabilities.
- Reaching out to a maximum number of the audience (both global and local) using the social media platforms. It involves updating them about the reforms and possible opportunities.
- Lastly, it provides the framework for the technical information related to 25 industrial sectors.

The Department for Promotion of Industry and Internal Trade is working progressively with many highly specialized agencies. They help the industries to build completely new infrastructure. It also involves coming up with a help desk dedicated to each sector. Not only this, but to make the project reach locals, it has launched mobile-first websites containing all the necessary information in sleek and simple menus.

Sectors under Make in India

By far, the make in India initiative has considered working on 27 sectors (of these, 25 are listed on the official website). These sectors can be sub-divided into two- the Services sector and the manufacturing sector. The list of these sectors is as under

Services Sectors under Make in India Scheme

The service sectors under the Make in India project are:

1. Medical Value Travel
2. Audio Visual Services
3. Construction and Related Engineering Services
4. Education Services
5. Financial Services
6. Environmental Services
7. Legal Services
8. Communication Services
9. Accounting and Finance Services
10. Tourism and Hospitality Services
11. Information Technology & Information Technology enabled Services (IT &ITeS)

12. Transport and Logistics Services

Manufacturing Sectors under Make in India

The manufacturing sectors under the Make in India project are-

1. Construction
2. Bio-Technology
3. Aerospace and Defence
4. Pharmaceuticals and Medical Devices
5. Textile and Apparels
6. Gems and Jewellery
7. Railways
8. Shipping
9. Electronics System Design and Manufacturing (ESDM)
10. New and Renewable Energy
11. Food Processing
12. Chemicals and Petrochemicals
13. Capital Goods
14. Automotive and Auto Components
15. Leather & Footwear

Make in India Scheme

Make in India is one of the major national programs that aim to improve the industrial segment, and to make it a success, the government of India has come up with certain schemes. The schemes supporting the initiative are:

Skill India

India is an overpopulated country with most people struggling with unemployment. This is one of the major drawbacks that lead to the lagging economy. Seeing the good in the bad, the Indian government launched Skill India.

- The Skill India scheme aims to skill more than 10 million people annually in different sectors. The need of the hour is to look into the future possibilities and upskill the available human resource.
- This becomes important because the percentage of formally skilled workforce in India is only 2% of the population.

Startup India

India has been a home of brilliant minds. From time to time, many people have come forward with innovative startup ideas that have changed the world, which is why the Startup India scheme was launched. The main idea behind this program is to build an ecosystem that drives sustainable economic growth, fosters the growth of startups, and creates large-scale employment.

Digital India

The 21st-century world is changing drastically with the introduction of blockchain and web 3.0 technology, and so are the people's interests. Seeing the shift, the government has come up with the scheme of Digital India. This aims to transform India into an educated and digitally empowered economy competing rest of the world.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a revolutionary financial inclusion program that concerns the assessment of financial services, that includes remittances, insurance, credit, banking savings & deposit accounts, and pension affordably in both rural and urban areas.

Smart Cities

To improve the infrastructure, the Smart cities scheme was launched. Its vision is to reform and rejuvenate Indian cities by having a futuristic infrastructure that can call up for tourism. The Indian government launched the scheme intending to build 100 smart cities through several sub-initiatives.

AMRUT

It's 2022, and most Indian towns and cities still lack the basic amenities. AMRUT, or Atal Mission for Rejuvenation and Urban Transformation, is a scheme launched that aims to build basic public amenities and make 500 cities in India more livable and inclusive.

Swachh Bharat Abhiyan

To accelerate the efforts to achieve universal sanitation coverage and focus on the country's poor sanitation ideology, Prime Minister launched this scheme. The idea is to clean the country and promote basic sanitation and hygiene.

Sagarmala

India is surrounded by water from three sides and has a lot of ports. Sagarmala scheme aims to develop ports and promote port-led developments throughout the country.

International Solar Alliance (ISA)

Solar energy is a renewable energy source with huge potential. International Solar Alliance (ISA) is an alliance of 121 leading countries (most of them are called the sunshine countries). These countries lie either partly or completely between the Tropic of Capricorn and the Tropic of Cancer. India's initiative aims to promote research and development in solar technology and formulate policies.

AGNII

Accelerating Growth of New India's Innovation or AGNII is another initiative that was launched with the idea of assisting commercialization with innovation.

Benefits of Make in India

Make in India has been a revolutionary initiative for the country's progress. It has been a project that has led to several positive impacts that include the country's development by changing the economic condition of the Indian industries and manufacturing sector. With this mission, India has by far enjoyed the following benefits-

- The major unemployment problem has been resolved up to a limit by generating new opportunities.
- If FDI inflows increase, then the present condition of Indian rupees will also get a push.
- By expanding the economic growth, the GDP will also flourish.
- The small manufacturers get the investment directly from the appropriate foreign investors.
- With foreign investment introduces, new technologies, ultimately leading to growth and development.
- Due to the various initiatives taken under the Mission, India has increased the EoDB index ranks.
- The setting up of manufacturing sites and factories in the rural areas has also led to their development.

Make in India- Progress by far

Since the Make in India project was launched in 2014, the progress in such a short time has been commendable. The project aimed to transform the manufacturing hub and global design. The Governmental initiative has changed how people used to look at the critical situation of the country's economy.

- The Make in India initiative is working successfully in the major sectors, including the railways, defense, medical devices, and insurance. These sectors have been working as the attraction center for Foreign Direct investment.
- Not only this, various initiatives have been taken by the state government and the ministries to improve the infrastructure. To get the best results out of the project, the ministry has engaged with the World Bank groups to uplift the doing business methodology.
- To help the investors, a dedicated cell was formed along with the Make in India project launch. The Investor Facilitation Cell (IFC) guides the investors through services like execution, pre-investment phase, and after-care support. Along with this, Japan Plus and Korean Plus were launched in October 2014 and June 2016.
- Well, it's not only the FDI but a lot of other organizations were established like single-brand retail, space, railways, defense, and manufacturing so that the investors would get sufficient help whenever required. Various cities came up in coordination with the corridors that helped industries to flourish to the maximum limit.

Make in India - Other Achievements

- Indian aim of being digitalized has gained a lot of momentum with the introduction of advanced technology and high-speed internet. Taxation, company incorporation, and many other processes have been made online, easing the overall process and improving efficiency. This has upped India's rank in the EoDB index. BharatNet is a telecom infrastructure provider set up by the GOI to enhance digital networks in the rural areas of the country. This is perhaps the world's largest rural broadband project.
- With the introduction of GST, the tax demand for business has been resolved up to a limit. The Goods and Services Tax (GST) has been a revolutionary introduction under the Make in India project.

- A million new bank accounts have been opened after the Pradhan Mantri Jan Dhan Yojana (PMJDY). This scheme has been a moderm for financial inclusion in India.
- The new insolvency code namely, the Insolvency and Bankruptcy Code 2016 integrated all laws and rules relating to insolvency into a single legislation. This has taken the bankruptcy code of India on par with global standards.
- The Make in India has opened a way of hope among tons of youngsters dealing with the serious issue of unemployment.
- India's EoDB index has become favorable after the FDI liberalization came up for the nation's help. Larger FDI inflows will create jobs, income, and investments.
- The schemes like Sagarmala and Bharatmala have pushed the infrastructural and connectivity development.
- India has achieved a milestone by ranking in 5th position in the world in installed renewable energy capacity. Not only this, India has become the world's 6th largest country to harness solar energy and 4th when it comes to harnessing wind power.

FDI Improvements

Since the Make in India initiative is dependent on the FDI, it is necessary to know the improvements in this section. The reports are as follows-

- FDI had an increase in stats from \$16 billion in 2013-14 to \$36 billion in 2015-16, but after this, its contribution has been stagnant.
- For the manufacturing sector, the FDI has become weaker. In 2014-15, it was \$9.6 billion but in 2017-18, the stats came down to \$7 billion.
- For the service sector, the FDI is three times that of the manufacturing sector and it is \$23.5 billion.

Make in India Challenges

Though Make in India has been a successful project all over the country, there are certain difficulties that the government and the manufacturing units had to face throughout. The major challenges that came in the way to the success of the Make in India initiative are-

- Since, India is a land of agriculture, it is understood that more than 60% of the land is cultivable. However, the manufacturing sites are bad for the agriculture industry. Setting up a huge infrastructure for manufacturing goods can cause permanent damage to the agricultural segment.
- The rapid shift toward industrialization is said to cause damage to natural resources and in the worst-case scenario, it can lead to depletion.
- A fallout of inviting large-scale FDI is that local farmers and small entrepreneurs may not be able to face the competition from the international players.
- Since the initiative is mainly focused on the manufacturing of goods (both local and on a global scale as well), its large-scale production can lead to pollution.
- The other developed countries like China, the USA, and Japan have been a threat to the project as they have developed infrastructure which is one of the basic necessities for producing goods on a large scale and India lacks in this segment.

