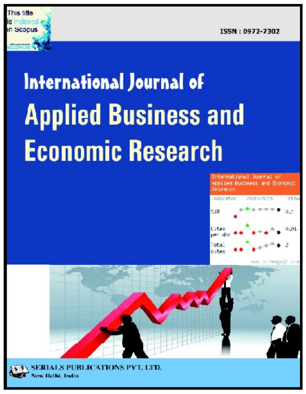

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Make In India Commented and Make for India Recommended

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Abstract: Amidst world economic powers India pursuits to acquire 8% average growth potential from 2016 to 2020 fiscal geared up by accessing to urbanisation, technology adherence, banking and other structural reorganizations. Keenly awaited campaign "Make in India" was done on September 25, 2015, by the 15th Prime Minister of India at the Vigyan Bhavan, which was a significant attempt to create India, an effective global manufacturing hub. The prime objective of this initiative is to enhance the manufacturing prospect of India to 10% growth than to the present. The vision and mission of the present Indian Government was articulated by Prime Minister Mr.Narendra Modi in the maiden Independence Day speech. In his exceptional speech, he has convincingly depicted the plan of "Make in India" and wooed the world investors to focus India to invest and manufacture. By analysing the concept and philosophy of "Make in India" and also the understanding the standpoint of a number of reformers, economists, politicians and businessmen this paper presented the appropriate suggestions recommended for better Indian economic conditions to prevail.

Keywords: Economy, Make in India, FDI, Make for India, RBI Governor.

1. INTRODUCTION

The seventh largest country of the world having the second highest population of the world has materialized by (CSO) Central Statistics Organisation and (IMF) International Monetary Fund as the major economy in the world revealed and articulated to be growing fastest. The Indian economy is expected to grow 7 per cent in 2016-17 fiscal, revealed by the economic survey done by 2015-16. By the year 2015 Indian economic has geared up towards improvement associated to the stern government initiatives, with the needful support from RBI. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen. According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-

17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years. Foreign direct investments (FDI) in India have increased by 29 per cent during October 2014 to December 2015 period post the launch of Make in India campaign, compared to the 15 month period before the launch. The Nikkei/Markit Manufacturing Purchasing Managers' Index (PMI) for February 2016 was reported at 51.1, indicating expansion in Indian manufacturing activity for a second month in a row, as both domestic and foreign demand increased due to lower prices. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US$ 1.668 trillion), as against Rs 105.5 trillion (US$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent. According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms. Further, the policy of "Make in India" is focused as the root cause of these drastic economic changes that are evidenced from recent past.

2. LAUNCH OF "MAKE IN INDIA"

The most awaited campaign "Make in India" was done on September 25, 2015, by the 15th Prime Minister of India at the Vigyan Bhavan, which was a significant attempt to create India, an effective global manufacturing hub. This initiative is to enhance the manufacturing prospect of India to 10% growth than to the present is the prime objective. On par with this initiative an eight member expert crew is set up to handle queries and redress grievances of global as well as domestic investors within 24 hours, giving needful information and solve their problems in addition. Along with this initiative Invest India team will also work accordingly to resolve issues based on policy and others with centre and state. This is designed and believed to be the next effective campaign next to "Incredible India", which was a successful one deployed for Indian Tourism sector. In the Prime Minister Speech of our Independence Day celebration, Mr.Modi called the world with the slogan "Come, Make in India", to supply the rest of world with best products. This campaign it-self was established, designed & branded by Wieden+Kennedy, a US based, advertising and promotional initiative driven Company, for which a number relaxation is done from Indian Government to collaborate them for a contract of three years. This campaign has invited the world's top 3000 companies to find opportunities in India, through the Indian Embassies, to attract the best technological and capital investments in India. Skill enhancements, appropriate job creation in 25 sectors of the economy were the main objective of this initiative, towards building high quality standard with minimal environmental impacts. India pledges to become as the top destination among the other global destination for FDI (Foreign Direct Investment), surpassing People's Republic of China and US of America, after the initiation of this campaign in 2015. By the year 2020, the demand for the Smartphones, Computer and other electronic goods hardware are raising and expected to steep high in the near future to US $400 Billion and Indian government has planned to achieve ZERO IMPORTS of electronics goods.

Table 1
The 25 Sectors of the Economy focused by Make in India

THE TWENTY-FIVE SECTORS OF THE ECONOMY FOCUSED BY MII

Aviation	*Construction*	*IT and BPM*	*Pharmaceuticals*	*Space and astronomy*
Automobile Components	Defence manufacturing	Leather	Ports and Shipping	Tourism and Hospitality
Automobiles	Electrical Machinery	Media and Entertainment	Railways	Thermal Power
Biotechnology	Electronic systems	Mining	Renewable Energy	Textiles and Garments
Chemicals	Food Processing	Oil and Gas	Roads and Highways	Wellness

Make In India focuses 25 major sectors as mentioned in Table 1, that contribute to the Indian economy by and large. World Bank has made a survey for finding the best destination to initiate business in 17 Indian cities and shortlisted Bhubaneshwar, Ahmedabad, Ludhiana, Gurgaon and Hyderabad as the easiest and top five suitable most. Among the 189 countries associated to the World Bank, India stands in Rank 130th for the ease of enhancing and pursuing a business June 2014 and June 2015, as per the survey done by 2016 but earlier it was Ranked 134th in its index by 2015. Thus, the investment proposals received by India until 09-10-2014 are estimated to be above INR 2000 Crore to enhance the above mentioned initiative.

3. PHILOSOPHY OF "MAKE IN INDIA"

The vision and mission of the present Indian Government was articulated in the maiden Independence Day speech by Prime Minister Narendra Modi. In his exceptional speech, he has convincingly depicted the plan of "Make in India" and wooed the world investors to focus India to invest and manufacture. The above mentioned policy is deeply associated with the policy FDI (Foreign Direct Investment), which really establishes job creation, employment generation and inviting Foreign Investment to the country. With the affirmation that India is enhancing pace towards 2020, will be convincingly in a position to provide work force to the globe, developing it a mass movement with rapid progress. Increasing the contribution of manufacturing potential in India's Gross Domestic Product and by initiating employment will pull capital investments from Indian as well as foreign nations in the above tabulated 25 sectors, is the main philosophy of Make In India. Sustaining the diversity what India has in each and every state it is competent of establishing a variety of hopes to develop relevant sectors in each state through Make In India. Business enhancement and ease in pursuing commerce made possible by relaxing the regulation and allowing FDI will bring amplified economic activity in high-value industrial sectors in the course of augmented overseas partnership. India has to be made as an excellent global hub for a wide range of services and products. On regard to this initiative train what the world has evidenced was by mid 2014, by which India has allowed FDI into Defence sector to maximum limit as compared to the past ever. In railways also India has welcomed FDI to maximum extent by which now the infrastructure building has enhanced prospect to phenomenally grow. Now, these initiatives will minimize imports and sustain augmented in-house production better than ever before. Convincingly, India is in a position to stop the imports of defence and military products and allowed FDI in Indian Railway to build a robust infrastructure. The initiative of Make In India will also lessen the burden of few industries on the Tax benefits. Particularly the manufactures in India will get the benefits out of it. On the tax front, replacing a multitude of complex and arguably archaic transaction laws with a simplified and futuristic goods and service tax (GST) regime would surely be a step in the right direction which hopefully the government will achieve in the coming months. A concern voiced by some quarters has been the ability of India to balance high-end manufacture (which typically involves automation of processes) with creation of jobs for millions of Indians under this initiative. Having opened Indian economy to the world, hopes are high that with the help of 'Skill India' and 'Digital India' schemes, the nation shall stand transformed into an innovation and manufacturing hub. With the Union Budget proposals round the corner, the manufacturing sector awaits policy changes in the tax and regulatory front to reap the benefits of this initiative, "Make in India".

4. PROSPECTIVE PROS OF MII

a) **Business at Ease:** At present India in the ease of doing business is raking 134th place which alarmed to know that it is below a number of African countries, made by the survey of World Bank. The number of incentives, faster redressed mechanism and allowance schemes will attract a number of prominent investors in India.

b) **Employability Skill and Employment:** As of now, it is expected that more than 25 Key Industries will pledge their efforts for skill development to the youth of India with necessary training in technical and management domains in the sectors such as Defence development, Construction, Roads and Highways, Automobiles etc.,

c) **Making a Manufacture Hub:** Positioning India as a manufacturing HUB will bring a number of global leaders in manufacturing and investors creating wide scope of job opportunities, technology implementation, elevating the economy of the country with drastic increase in production and export.

d) **Deregulation in addition to 4Ds:** India is known for 3D (Demand, Demography & Democracy), to which another D will be in place which is Deregulation by which India becomes the destination of global leaders to manufacture as this brings in Money, Technology and Exposure, which India lacks than needed now.

e) **Breaking Archaic Laws:** India is expected to break the ancient regulations which are futile to the present economic conditions and technological trends. Hence, India now decided to raise the curtains for new vision with collaborative approach with countries that excel in their unique feature and enhance economy.

f) **Developing 100 Smart Cities:** The win-win strategy is my mandate to be developed as part of extra vision than to the collaboration in business terms, the vision is made wider and corporate stepping in will be given an opportunity to adopt a city and develop it as a Smart City focusing Technology, Infrastructure, and affordable Housing Schemes.

g) **Private Partnership in PSU:** India, has a number of Public Sector Undertakings which run in losses and at present it is not expected to invest in these without new dimension of administration and technology, hence certain percent of shares can be sold to private players for revenue generation, acquiring new perspectives, up-gradation of technology, new administration, having hand in hand the development and prospect is unmatched.

h) **Address Local Player Issues:** Yet another important factor is that, this is an opportunity for the domestic players to collaborate with the global pioneers of technology, infrastructure, investment and system can collaborate towards mutual growth. A number of domestic players will be exposed to enhance untapped features to expand their horizon in a wider perspective.

5. CONCERNING CONS OF MII

Analyzing policy of "Make in India", with addition to the prospect as above mentioned are few concerns of the same which sustains clarification and modification for better results in a long run. These views and perspectives are raised by a number of individuals and agencies which are classified as under mentioned.

(a) Facts from Dr. Raghuram Rajan

(i) Dr. Raghuram Rajan, Governor, Reserve Bank of India, strongly reveals that the concept of "Make in India" is not suitable to the present economic condition of the country and the globe in the present trend, rather the concept of "Make for India" will the better as per his recommendations, as he points out that export-driven, incentive-driven or substitution strategies for imports will not function to the in the existing situation.

(ii) He does emphasis that the export driven strategy will not be suitable as China, who has been with the same performed better in the past, and further designing for the future. Now, they become a valid competitor to India, the economic situation will not change as expected. He further adds that Indian economy cannot be viewed similar to China and the concept working out well there is not possible with Indian environment.

(iii) As the external demand growth is not as per the expectation for the next five years, now it becomes mandate that India must produce for the internal requirement, which should substitute imports. This should associate with sustainable unified markets, reduction in transactional cost of selling and buying, infrastructure development of transportations for better supply chain management from producer to consumers.

(iv) Better designed and management Goods and Service Tax Bill (GST) should be done to promote better flow of goods and services across state borders of India, for better economy which itself will ascertain the growth expected and needful.

(v) Make for India necessitates production for consumption in India, precisely. As India is one of the largest consumer markets, the concept of "Make for India" could be a game changer. Nevertheless it makes our growth autonomous of the international economic scene, this helps to take care of India's specific requirements in inspection of high poverty levels in the country. It builds upon the idea of creating a symbiotic production-consumption cycle in India itself.

(b) Facts from Distinguished Economists

(i) By its demography, India is blessed to have 60.3 Percent of its land for agriculture, second largest country with arable land, is a gift what none has sensed that potentiality, with suitable climate, ecology and with optimum potentiality to grow various crops. This FDI will drastically affect this agricultural sector to a worse condition as this agriculture is the basis of Indian economy and livelihood. As the farmers can still focus on their farming as every crop cultivated in India, is among top 10 best contribution of its kind to the globe.

(ii) When this policy manifested the prospect for land acquisition which will drastically allow fertility, nurtured soil optimum for a number of crops that India leads in Exports. Here, after FDI a number of people whom turned from agriculture to industry will face two issues: will lose their land, its fertility, and their expertise of unmatched farming and also is always a lower order employee, as this proficiency in technology driven labour is deficient.

(iii) India, the largest agricultural country, is trying to leap from the primary sector to tertiary sector. This is palpable from the marginal contribution of agriculture to Gross Domestic Product (GDP) vis-à-vis the service sector. Service sector contributes 56 % whereas agriculture contributes 18% to GDP. This apparent success of the Indian service sector or IT sector has worried policy makers because agriculture employs over 50% of the Indian population. The service sector, being able to provide "blue collar" jobs only, is incapable of being a mass employer, thus leading to a jobless economic growth.

(iv) In India, Micro, Small and Medium Enterprises (MSME) sector stands as one of the prominent and as the most labour intensive industrial section. Reports by OECD assert that 65% manufacturing employment stems from these MSME units. Hopes of Make in India hinge on this sector. But the MSME sector's labour productivity is low. If this sector were chosen as a key pillar of growth by giving parental allocation of resources and credit, it just might end up in a towering number of large inefficient units. This might further stress the already stressed banks who are reeling under the high Non-Performing Assets (NPA).

(v) The structure of the Indian economy has often put economists on pins and needles, given the fact that despite having high growth rates, employment has not increased at the same rate as economic growth and poverty still haunts one-third of the population. The truth is that the growth of the Indian economy has been skewed and an average Indian "consumer" remains poor. So, instead of following the production oriented economy ideology, India should adopt to consumption oriented economy which as per "Make for India".

(vi) Make in India will orient the resources for producing high quality goods for foreign consumers. Not only will it decrease the amount of resources available for Indian masses but also produce goods which have no use for India. This will introduce a "luxury bias" in Indian production system and it will make the life of millions of the poor strata more stressful as they won't have cheaper goods.

(vii) Make for India, antithetically, might take a decentralized approach to development, where local resources will be used to produce goods for the local population. India needs this approach mainly because the growth we have had in the last two decades had differential fruits for different groups. Usage of local resources for outside use has been a universal theme for conflict and under-development. Make for India can help India have a balanced growth for its population. Inclusive is already a recognized priority in India and should be adopted through Make for India.

(viii) Make in India almost loses sight of the fact that agriculture is still the key employment provider. Make for India can have a rather different approach towards agriculture. We know that India itself has a large consumer base. Ergo, treating agriculture as an industry will solve both the farmer suicide problem as well as the ubiquitous food inflation problem, which we are facing from the last few years and bound to face it more prominently in the future given our growing population.

(ix) Indian Agriculture system as gone out of date with no infrastructural development no defined schematic and tested structural methods against calamities similar to floods and droughts. These lead to decreased production, loss to farmers, minimal and diminishing exports and paving strong prospect for compensatory imports even though we claimed to be largest producers.

(x) New skill oriented development and modern agricultural resources which are prominent among other developing and developed countries are in high lacuna to Indian farmers. This talent of adhering modern agricultural skills taps the farmers of other nations even with worse climate and land tap better harvest than us.

(xi) Small quantity of farmers encloses outsized region of land and outsized quantity of farmers has small area. Thus, this cannot be ignored as a reason with strong evidences to shrink the prospect of agriculture and employment in the same resulting in farmer's suicide in outsized number every year.

(xii) Research and development has to focus the agricultural domain which is minimal now. More funding has to be devoted to agricultural based universities. Research scholars of agricultural students should be supported with adequate stipend by the government, towards harvesting better irrigation, farming, which will boost up the whole commerce and business environment.

(xiii) A Healthy business environment is made easy and possible only with a better effective human resource engagement, administration infrastructure and strict procedure & regulatory measures, which is still sustains deficiency.

(xiv) The resource allocation has to be uncompromisingly supplied to the foreign companies collaborated with discount measures and allowance which is mandate mentioned in MoU, but if that is given to our own domestic players then production and management with effective cost would have been possible.

(xv) Supporting the walked in companies with TAX EVASION is unfair as the same would have been given to our domestic for their better function and would have been a great support at high times. The sense of giving the same to the foreign players is unfair to an extent. When the same offered to domestic players the commerce will advance to better extent.

(xvi) The association of foreign collaboration should have been focused to the small and medium level of industries as that will enhance much better results in economy than in big investments with big players in India; as such it makes no difference in doing so. But doing will small and medium level business ventures better economy will flourish as the flow of money and value becomes much efficient.

(xvii) As china also came up with the campaign "Made in China", it becomes a high pressure to perform and enhance further lavish allowance than China, to attract the investors, which again makes no difference than to the previous situation, rather worse can happen, with the foreign foot prints to fall within Indian demography.

(xviii) China being economical than Indian tariffs, again the investors and companies would obviously be interested towards them. Now, it becomes a challenge to India to attract world's better technology, R&D and much of our efforts are towards competition with China whereby by negotiating we lose the expected profit margin, making no difference than to the present.

(xix) India, being the second largest populated country should also focus on the pollution, overcrowded cities, lack in basic life style, health of individuals and lack in sanitation facilities. The infrastructure and policy maintained by the economy of China is so polluted that 1.6 million people dies per year and this step will pledge a number of lives in future. Sooner, India will lose the optimum place to live in. As India still not in a stand to answer Bhopal Tragedy and in addition to the massive revolts rose in Kudangulam, Atomic power Station in Tamilnadu, this becomes a high concern.

(xx) Indian Economy is especially well distinguished as Mixed Economy and thus do not grow according to a specific model, however hard we try. It is expected to create a hybrid model which satisfies the domestic developmental deficit while giving considerable policy space for dynamically adjusting to international economic climate. The emerging fourth industrial revolution essentially requires a blend of Make for India and Make in India.

6. INTERPRETATIONS AND SUGGESTIONS

By analysing the concept and philosophy of "Make in India" and also the understanding the standpoint of a number of reformers, economists, politicians and businessmen this paper likes to present the below mentioned points as the interpretation of the above mentioned concern along with suggestions recommended for better Indian economic conditions to prevail.

(a) Whatsoever be the final approach be chosen, the quintessential pre-requisite are domestic legal/ financial reforms. India has displeased taxation structures having an adversarial taxation bureaucratic environment. The regulatory administration for businesses is still not yet development cohesive, friendly neither "Make in India" nor "Make for India". The reform at home that is strengthening INDIA will be the key contributing factor to India becoming an industrial power.

(b) The concept of theory of comparative advantage and the perspective of philosophy "Make In India" should not contradict as if manufacturing a commodity is not economical in India it becomes apt to get imported from a country which has comparative advantage in its production, augmenting International trade, which is advisable, too.

(c) Dr. Raghuram Rajan, Former RBI Governor made a valid comment that, India dissimilar to China cannot have a time benefit as it commences an excellent manufacturing hub. Thus the valid question what anyone will sustain is that – "Will a Second China Sell?"

(d) To revamp the broken trust between the government and the industries is very challenging. Export Promotion and Make In India are intensively imbibed which will again a definite measure to undervalue Rupee, which further will affect overwhelming impact on the import bill.

(e) The other valid focus which cannot be ignored is that, the scenario of the world economy is not yet completely recovered from the crisis, still. In this situation it is difficult to promise that India will flourish in MII, as Japan, US and EU are not yet solid in their stand. But, still India has deficiency to outperform them in function.

(f) The projects proposed at present times, the environmental issues and clearance becomes yet another core issue. Further, the acquisition of lands particularly the agricultural lands from the farmers is yet another concern which have had tough times in the recent past in India. Environmental crises may arise throughout the country, agricultural lands turns into industrial colonies owned for foreign nations and by and large India may face enormous debt.

(g) The deficiency of the skilled manpower is yet another deep concern, India has roughly about only 12% of its population alone as suitable unlike other nations like Germany, Japan and Korea where more than 80% of them are equipped with the required skills. But, the maximum skilled people is on agriculture for which no steps has been undertaken and further the world expertise is not to previous Indian agriculture system.

(h) Any Indian start up or idea is suppressed when a foreign brand comes in with a similar ideology. Many Indians become workers rather than owners. Again it's Morden day slavery in the name of employee. Our growth rate in terms of inland industrialisation dwindles. After two generation almost all agricultural lands would have been occupied by some foreign company. India will have working class slaves as majority.

(i) Indians become workers rather than owners, again a modern slavery stands in the name of employee, just by next generation almost all agricultural lands would have been occupied by some foreign company and by and large Indian population will be the working class slaves as majority.

7. CONCLUSION

This paper has evidenced fair share of critics on a number of perspectives of the policy "Make in India", additionally the labour reforms and policy reforms which are fundamental for the success is not satisfactory and not yet implemented and the pragmatic reality is that the government does not walk its talk. Many layoffs in companies such as Nokia India cast extended shadows over the operation and in the same way technology oriented companies have not been encouraged by the campaign launch and have supposed to prolong getting their mechanism manufactured by China. This paper also emphasis that India right now not in a position to accelerate the speed as such projected or proposed, as the agriculture, education, technical proficiency, expertise, resources availability, ownership of patent rights, economic pricing of those goods for local markets expects to be answered before India could take step into "Make in India", can opt for "Make for India" in accordance with Dr. Raghuram Rajan.

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