

## **Contribution of Make In India - A Global Perspective**

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Abstract :Small and Medium Enterprises (SMEs) sector has emerged as a vibrant and dynamic sector of the economy. SMEs play a crucial role in providing large employment opportunities at comparatively lower capital cost and have long term prospects in the global perspective. India, in particular, has the advantage of its core strength of human resource, a strong base of entrepreneurs, and a robust and growing domestic demand.

It is believed that sustained and all inclusive growth is more likely to come from growth in domestic manufacturing. The 'Make in India' initiative to get Indian companies and global firms to invest and partner in the manufacturing sector is highly relevant for India. This can be achieved by fostering innovation, enhancing skill development and by more cost effective quality conscious manufacturing by SMEs. The jugaadattitude has to give place to efficient organization and manufacturing structures. If this happens India will certainly see new age entrepreneurs who have the potential to create globally competitive businesses in India emerging in large numbers.

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## Introduction

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It is believed that sustained and all inclusive growth is more likely to come from growth in domestic manufacturing. The 'Make in India' initiative to get Indian companies and global firms to invest and partner in the manufacturing sector is highly relevant for India. This can be achieved by fostering innovation, enhancing skill development and by more cost effective quality conscious manufacturing by SMEs. The jugaadattitude has to give place to efficient organization and manufacturing structures. If this happens India will certainly see new age entrepreneurs who have the potential to create globally competitive businesses in India emerging in large numbers.

Already many SMEs that are Innovative, inventive and international in their business outlook, with a strong technological base, competitive spirit can be seen in many manufacturing and service sector activities.'Make in India' is an all-encompassing term with comprehensive connotations for micro and macroeconomics, management, financial investment, banking, business development, manufacturing, marketing and policy formulation. It requires various sectors to work in sync and complements each other. Giving boost to manufacturing sector needs no greater emphasis to develop India as a manufacturing hub and to attract foreign direct investments

## Objectives of make in India

1. To pull people out of poverty. That's why Indian government is creating a lot of policy changes to encourage foreign direct investment.
2. To encourage the Investorsto open manufacturing plant in India, everyone will get job
- 3.The state will get a lot of revenue, which will be invested back in infrastructure, education and healthcare.
4. To becoming a first world country in next 50 years.

The Government of India has launched its flagship “Make in India” programme, a major national initiative that aims to make India a global manufacturing hub. Launched in September 2014, the programme has identified 25 key sectors, including defense, and intends to give a boost to domestic manufacturing and attract foreign investment. The main agenda of the programme is to reduce procedural delays in manufacturing projects, develop sufficient infrastructure and make India investment and business friendly.

The government is widely being perceived as business and investor friendly and is focussing on ease of doing business, securing investment and protection of Intellectual Property Rights (IPR) under the “Make in India” campaign. Crafting a holistic defence industrial base has been high on the agenda of the government for a long time. “Make in India” seems to be a promising initiative for promoting domestic manufacturing and increasing self-reliance in defence, thereby contributing to a stronger trade balance and substantial employment creation in addition to securing peace and stability in the region.

The manufacturing subsidiaries supplying to DPSUs such as Hindustan Aeronautics Limited (HAL) and Bharat Electronics Limited (BEL) in Mumbai, Bangalore, Hyderabad, Pune and Chennai region have significant capability to contribute to the “Make India” initiative. However, they lack the technical and infrastructure capacity and the funding to carry out primary Research and Development (R&D) on a large scale. Foreign investment, Transfer of Technology (ToT), support from the government in terms of funding or relaxation in taxation, would provide the much needed thrust to develop the Small and Medium Enterprises (SMEs). The modernisation programmes like the Tactical Communication System (TCS), Battlefield Management System (BMS) and Future Infantry Combat Vehicle (FICV ) are attractive opportunities for developing the indigenous manufacturing industry.

### Foreign Collaboration

“Make in India” can attract defence cooperation from the USA as the concept appears to be in conjunction with the Defence Trade and Technology Initiative’s (DTTI’s) Co-Development Co-Production (CDCP) approach. Defence manufacturing in India would require FDI and technology transfer in the form of public-private partnerships, consortiums, joint ventures or R&D funding and collaborations. The synergies in the two programmes can lead to potential technology and innovation related engagement between the two countries.

Stretching out and exploring how the USA and India could engage in CDCP under the wider “Make in India” banner could lead to strategic partnerships for implementation of the ongoing and future defence modernisation projects. India’s relations with Japan were further fortified when Japan’s Prime Minister Shinzo Abe talked about the synergies between “Abenomics” and “Modinomics” during his visit to India in 2014. In January 2015, the Japanese Foreign Minister stated that Japan would contribute to push forward the “Make in

India” initiative and that the two nations would strive to strengthen their maritime cooperation for a peaceful and stable Indo-Pacific region. Leveraging Japan’s investment and business potential to drive defence R&D and manufacturing would give significant thrust to the initiative.

## Challenges

The “Make in India” initiative is being promoted and received in the right spirit; however, several challenges continue to haunt the well thought out policy. There are only a limited number of private companies in India with the capital and resources required to produce and develop complex defence solutions and sustain business. Also, there is a high risk to the business involved due to no assured orders from the government and difficulties in exporting to other countries because of the strategic nature of the business. The long gestation period of defence contracts (for example, projects like the L-70, TCS, FICV ), cancelled contracts and No Cost No Commitment (NCNC) trial policy of the MoD add to the projects’ costs. Many a times, the project delays are of the order of decades and the technology becomes redundant or obsolete by the time the first batch is completed for testing.

## Integrating the User

A key component of defence indigenisation are the Indian armed forces as the end users. The Government of India and the local defence industrial sector need to work in close synergy with the defence forces to realise the ultimate goal of self-reliance. The defence forces also have a responsibility which is primarily manifested through requirement specification providers, product and service evaluators, business opportunity providers and the final consumers of the defence industrial complex. A detailed analysis of the role and responsibilities of the government, defence industry and foreign partners has been

presented in numerous research products and media reports. A thorough examination of the role of the defence forces in the success of “Make in India” is urgently due and requires focussed attention by decision-makers in the Services. In the developed countries that possess strong defence industrial complexes, the Services are equal partners in the success story. The defence Services are the prime source

There are issues that need to be addressed for smooth implementation of the “Make in India” programme. Coordinated efforts to incorporate reforms related to land acquisition, labour laws, taxation regime and inter-state cooperation will greatly ease the business environment and encourage foreign as well as local investors. There is a need to put together individual modernisation projects of the three Services under the single banner of “Make in India” and formulate a synergistic defence manufacturing strategy. With a growing defence market and the government’s focus on the sector, India can utilise the buyer’s clout and attract favourable business. An investor friendly environment, mobilising India’s talent and human resources, promoting business, entrepreneurship, research and innovation will pave the way for India’s growth as a regional economic and military power. The recent visit of the US President to India and the operationalisation of the DTTI through the four “pathfinder” projects is a beginning in the right direction, but the crucial aspect would be to maintain the momentum in the future and co-develop more complex defence systems. All the major powers of the world are interested in working with India in all sectors india must become a manufacturing powerhouse in order to gainfully employ its demographic dividend; there is no choice here. Fortunately, we have many natural advantages including a big labour pool and a large domestic market. In addition, with China’s competitive advantage in manufacturing eroding, India has the opportunity to take some share of global manufacturing away from China. All we have to do to improve the ease of doing business

in India are these —stop tax terrorism, improve infrastructure, reform labour laws, invest in skills development, make it easier to acquire land, implement Goods and Services Tax (GST) and fast track approvals. Voila, we will take our rightful place as the world's factory alongside China.

Conclusion:

1. Under various nation-building initiatives undertaken by the new government in India, the “Make In India” campaign has hogged limelight and there is a sense of optimism that it can trigger manufacturing driven growth.
2. Skill development programs would be launched especially for people from rural and poor ones from urban cities
3. 25 key sectors have been short listed such as telecommunications, power, automobile, tourism, pharmaceuticals and others .
4. Individuals aged 15-35 years would get high quality training in the following key areas such as welding, masonries, painting, nursing to help elder people.
5. Skill certifications would be given to make training process, a standard.
6. Currently manufacturing in India suffers due to low productivity rigid laws and poor infrastructure resulting in low quality products getting manufactured.
7. Over 1000 training centres would be opened across India in the next 2 years .
8. For companies setting up factories, “Invest India” unit is being set-up in the commerce department which would be available 24/7.
9. The main focus of this department would be to make doing business in India easy by making all the approval processes simpler and resolving the issues in getting regulatory clearances within 48-72 hours so that clearances are fast.

10.To make this possible, special team would be available to answer all the queries related to help foreign investors/companies.

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