



## MAKE IN INDIA: BOOST ECONOMY THROUGH PROMOTION OF ENTREPRENEURSHIP

**Dr. Surinder Kaur** Associate Professor, Post Graduate Govt. College Sector-46, Chandigarh

**ABSTRACT** There are different parameters to judge the economic development of any nation. The vision of all the ruling parties is to take the nation to the new height. Industrialisation not only promotes employment opportunities but also promotes regional balanced development through development of industrial parks and estates. The Make in India campaign was launched with the vision to turn the country into a manufacturing hub. The campaign will be playing a very important role in the promotion of entrepreneurship. The objective of this paper is to analyse the changes taking place in the business environment after the introduction of Make in India campaign and at the same time to evaluate how this campaign is contributing to entrepreneurship by referring the secondary data collected from various articles, websites and books.

**KEYWORDS :** Digitisation, GDP, Entrepreneurship, Vision.

### Introduction

Make in India concept was launched by Prime Minister Narendra Modi on 25 September 2014. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards along with minimising the impact on the environment. The initiative was taken with the hope to attract capital and technological investment in India. The foreign equity caps in various sectors had been relaxed before launching of the initiative. The application for licenses was made available online and the validity of licences was increased to three years. Various other norms and procedures were also relaxed. In the Independence day speech Prime Minister Narendra Modi had announced,

*Let's resolve to steer the country to one destination. We have it in us to move in that direction.*

*Come, make in India", "Come, manufacture in India". Sell in any country of the world but manufacture here. We have got skill, talent, discipline, and determination to do something. We want to give the world a favourable opportunity that come here, "Come, Make in India" and we will say to the world, from electrical to electronics, "Come, Make in India", from automobiles to agro value addition "Come, Make in India", paper or plastic, "Come, Make in India", satellite or submarine "Come, Make in India". Our country is powerful. Come, I am giving you an invitation.*

The Make in India program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure. **Make in India** is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfill the purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, converting the India to a self-reliant country with following policy measures.

**1. Ease of business:** Make in India is a policy that combines incentives with easy handling of businesses and faster redressal machinery. Only Business, NO harassment is the underlining idea..

**2. Skill and jobs for the youth:** Skill endowment and job creation in 25 key industries will be encompassed under this plan for able youth development and relevant training in certain key areas.

**3. Making India a manufacturer:** Narendra Modi is urging investors to set up industries in India instead of just FDI thereby facilitating making India a destination for production of goods and exporter of goods to the world over.

**4. Getting away with archaic laws:** Raising FDI caps in a controlled manner and parting with the red tape restrictions in decision making is another important feature of this plan. Archaic laws have become synonymous with our country's business-related environment and hence this Make in India campaign aims at eliminating them.

**5. 100 smart cities:** This will also help in achieving the target of 100

smart cities and affordable housing schemes by making the investors a partner in the plan and investors adopting a city.

**6. Disinvestment of PSU:** Certain inefficient and loss-incurring PSUs will be disinvested i.e. a certain part of them will be sold off to private players so as to generate revenue and do away with the resource-sucking headaches. Private firms have an unmatched administration and management at times.

### Vision of Make in India

Manufacturing currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe.

The logo for the Make In India campaign is an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916.

Make in India campaign aims to turn the country into a manufacturing hub by slashing red tape, setting up infrastructure and making amendment in some policies like,

1. Amendment in labour laws to provide flexibility in working hours.
2. www.makeinindia.com, portal was created for companies to seek policy clarifications within 72 hours.
3. Services of all govt. depts., ministries to be integrated with E-Biz, a single window IT platform.
4. Process of applying for industrial license simplified with e-Biz portal
5. Validity of industrial licences extended to three years.
6. 24 manufacturing cities envisaged and in first phase, seven cities to be completed by 2019.
7. Provision of 10% capital subsidy for production of equipment for controlling pollution, reducing energy consumption, water conservation.

In order to offer new environment to investors 8 member expert panel was set up jointly by Department of Industrial Policy & Promotion and FICCI. The panel was entrusted with the task to interface with global investors, redress grievances, suggest reforms to Centre and states, and resolve policy issues.

Entrepreneurship is a creative activity. It can be described as a process of action an entrepreneur undertakes to establish his enterprise. It is the ability of an entrepreneur to create and build something from practically nothing. It is a knack of sensing opportunity where others see chaos, contradiction and confusion. Entrepreneurship is the attitude of mind of a creative and innovative thinker to seek opportunities, take calculated risks and derive benefits by setting up a venture. It comprises of numerous activities on the part of an entrepreneur in conception, creation and running an enterprise.

According to Peter Drucker Entrepreneurship is defined as 'a systematic innovation, which consists in the purposeful and organized search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation. Entrepreneurship is a dynamic and risky process which involves a fusion of capital, technology and human talent. Entrepreneurship is a discipline with a knowledge base theory. It is an outcome of complex socio-economic, psychological, technological, legal and other factors. Entrepreneurship is equally applicable to big and small businesses, to economic and non-economic activities. Different entrepreneurs might have some common traits but all of them will have some different and unique features.

Entrepreneurship is a philosophy- it is the way one thinks, one acts and therefore it can exist in any situation be it business or government or in the field of education, science and technology or poverty alleviation or any others. Steve Blank talks about "The Four Types of Entrepreneurship", small businesses, scalable start-ups, large companies and social entrepreneurs.

Entrepreneurship, contributes to the economy of the nation. The economic development of any country is depended not only on the available resources but also on its proper utilisation. The parameters used to judge the economic development of the country are national income, GDP, per capita income, employment opportunities, level of literacy, standard of living etc. India is the second largest country in terms of population where the demand for goods and services is also increasing continuously. It is expected that entrepreneurship will, in light of the above, contribute to growth and employment creation in advanced, emerging and least developed economies alike. This is a reasonable expectation – one that is supported by recent findings of historians, economists and management scientists. The role of entrepreneurship in economic development has been the focus of a two-year United Nations University World Institute for Development Economics Research (UNU-WIDER) project, which resulted in the book 'Entrepreneurship and Economic Development'.

### Findings

The logic behind the government's Make in India initiative is clear from the speech of Prime Minister Narendra Modi at the launch of "Make in India Week" in Mumbai on February 13, 2016:

"We launched the Make in India campaign to create employment and self-employment opportunities for our youth. We are working aggressively towards making India a global manufacturing hub. We want the share of manufacturing in our GDP to go up to 25% in the near future."

The objective of Make in India initiative is to increase the share of manufacturing in India's GDP to 25% by 2022, which is expected to generate approximately 100 million jobs for Indian workers. The following table shows the contribution in GDP before Make in India and the expected contribution in GDP:

Sectors	Contribution (Before Make in India)	Expected Contribution (After Make in India)
Automobiles	\$8 Billion	\$50 Billion
Food Processing	\$1.43 Trillion	\$7.21 Trillion
Renewable Energy	\$20 Billion	\$40 Billion
Automobile Components	\$10.81 Billion	\$39 Billion
IT and BPM	\$143 Billion	\$300 Billion
Roads and Highways	\$14 Billion	\$57.8 Billion
Aviation	\$17 Billion	\$25 Billion
Leather	\$28 Billion	\$76 Billion

The Make in India initiative launched by the Government of India will be helpful in the promotion of entrepreneurship as the Government has further liberalised its policies in favour of the prospective entrepreneurs with the motive to support new ideas, to safeguard the creations of mind and to create state of the art facilities for manufacturing goods. In order to speed up the entire process evolved in the setting up of an entrepreneurship the process of applying for Industrial License & Industrial Entrepreneur Memorandum is made online on 24x7 basis through eBiz portal, and the Services of all Central Govt. Departments & Ministries was integrated with the eBiz – a single window IT platform for services with effect from 31 Dec. 2014, the process of obtaining environmental clearances is also made online. A new 'National Industrial Corridor Development Authority' is being created to coordinate, integrate, monitor and supervise development of all

Industrial Corridors. New smart cities and industrial clusters, being developed in identified industrial corridors having proper connectivity with further upgradation of IT facilities. The government has also designed policies and goals for specific industries. Area based incentives (SEZs), state based incentives, export incentives (under foreign trade policy) and relaxation on FDI caps.

A new public procurement policy was announced by the Government on May 24, 2017 that will provide preference to Make in India products in order to boost the local manufacturing. Procurement by the Government departments is substantial in amount and contributes towards achieving the objective of this policy. Local content can be increased through partnerships, cooperation with local companies, establishing production units in India or joint ventures with Indian suppliers, increasing the participation of local employees in services and by training them. Any entity whose products have 50% or more domestic content will be considered a local supplier. For verification of local content requirement, the government has opted for a system of self-certification with penalty for false declarations. Verification by statutory or cost auditors will also be mandatory in certain cases as prescribed. Under this policy purchases upto 5 lac are exempted and for those between 5 lac and 50 lac, if sufficient capacity is available in domestic market, then only the local suppliers will be eligible. On the other hand for the contracts above 50 lac, if there is inadequate supply base or competition in India, then the contract will be awarded to the lowest bidder. But if the lowest bidder is not a local supplier, the lowest cost player within a margin of 20% of the lowest bid will be given the opportunity to match the bid. If it is possible to divide the procurement among more than one supplier, the successful foreign bidder will bag half of the order, with the remaining portion going to the local supplier if it matches the lowest bid. But if it is not possible to divide the order, the lowest cost local supplier will be awarded the contract provided it matches the price bid.

The various initiatives taken under the Make in India by the Government of India will be helpful in meeting the aspirations of prospective entrepreneurs in a very positive way. The complexity involved in obtaining clearances and permissions from the Govt. departments will be hassle free with digitisation. The skill development programme launched by the Govt. will provide skilled workforce to the entrepreneurs from the very first day itself.

The World Bank's annual Doing Business 2017 report placed India in 130th position, recognizing India's achievements in implementing reforms in four of its ten indicators – Trading across Borders, Getting Electricity, Enforcing Contracts and Paying Taxes. Additionally, India's Distance to Frontier score improved on 6 out of the 10 indicators, showing that India is increasingly progressing towards best practice.

### Conclusion

The new reforms in the policies under the Make in India campaign has created a positive environment for businesses to thrive in India. The procurement policies, digitization, simplification in obtaining various approvals from the departments will definitely boost entrepreneurship in the country. The entrepreneurship will in turn contributes to the economic development of the nation by way of promotion of employment opportunities, raising standard of living, rate of literacy, medical facilities etc. Although the rate of progress is slow but still there is a hope that with the investment in the manufacturing sector, advancement in the technology, generation of the employment opportunities, and the steps taken to promote skill based training in different traits to provide skilled work force, our country will be touching the sky of success in just a matter of few years.

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