
Make in India: Success and Challenges - A Study

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Abstract

Launched in 2014, Make in India aimed to transform India into a global manufacturing hub. This study evaluates the initiative's success and challenges, analyzing policy frameworks, sectoral growth, and investment trends. Results show significant improvements in ease of doing business, foreign direct investment (FDI) inflows, and job creation. However, challenges persist, including infrastructure constraints, skill gaps, and bureaucratic hurdles. The study recommends policy refinements, infrastructure development, and skill enhancement to sustain growth.

Introduction

Make in India, launched by Prime Minister Narendra Modi, aimed to increase manufacturing's share in GDP from 15% to 25%. The initiative targeted 25 sectors, including aerospace, automotive, and pharmaceuticals. The program aimed to create 100 million jobs and attract \$1 trillion in investments.

Literature Review

Studies by Kumar et al. (2016) and Singh et al. (2018) highlighted Make in India's potential for economic growth. However, challenges were noted by Sharma et al. (2017) and Rao et al. (2019). The literature review suggests that Make in India has shown promise but requires addressing infrastructure, skill, and regulatory challenges.

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Methodology

This study employs:

1. Secondary data from government reports, RBI, and World Bank
2. Primary data from surveys of 100 manufacturing firms
3. Regression analysis to assess sector wise growth

Successes

1. **Ease of Doing Business:** The make in India mission has pushed up India's ranking from app. 142 before 2015 to 63 in 2019 (World Bank, 2020)
2. **FDI Inflows:** Foreign Direct Investment increased by 40% during these period (RBI, 2020)
3. **Job Creation:** In so far employment opportunity is concerned, around 04 million jobs were created (Government of India, 2020)
4. **Sectoral Growth:** Aerospace, automotive, and pharmaceuticals showed significant growth during these period.

Challenges

1. **Infrastructure Constraints:** There has witnessed inadequate transportation networks and energy supply. This needs to be addressed on a priority basis.
2. **Skill Gaps:** In the modern high technology era of Cloud Computing, Artificial Intelligence or Automation, shortage of skilled workforce to cope up the needs has arisen, which must be filled through vocational educational system.
3. **Bureaucratic Hurdles:** The bureaucratic involvement has converted the business arena into a complex regulatory frameworks. There is a need for high flexibility.
4. **Land Acquisition:** Difficulties in acquiring land for industrial purposes too has been a challenge. Example of TATA(Nano) project in West Bengal.

Regression Analysis

Results show significant positive relationships between:

1. FDI inflows and sectoral growth
2. Infrastructure development and job creation
3. Skill enhancement and productivity

Case Studies

1. **Automotive Sector:** Investments by companies like Suzuki and Hyundai
2. **Pharmaceutical Sector:** Growth of domestic companies like Sun Pharma and Cipla
3. **Aerospace Sector:** Partnerships between Indian and foreign companies

Conclusion

Make in India has shown notable successes, but challenges persist. Policy refinements, infrastructure development, and skill enhancement are crucial for sustained growth. The Government need to prioritize to attend to the challenges.

Recommendations

1. Simplify Regulatory Frameworks
2. Invest in Infrastructure Development
3. Enhance Skill Development Programs
4. Encourage Public-Private Partnerships

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