



# VOCAL FOR LOCAL IS SIGNIFICANT FOR ECONOMIC GROWTH THROUGH TRADE WITH ASEAN NATIONS

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## ABSTRACT

Vocal for Local is vital for rural India's skilled workforce, which creates an opportunity to boost their products on the global platform and to support the Indian economy at the grassroots level, which would be helpful for self-reliance. By "Vocal for Local," our Prime Minister has appealed for buying local products, which would support the local business players, manufacturers, markets, and supply chain managers that could provide a global identity to local entrepreneurs. During the period of lockdown in the COVID-19 pandemic, it also helped the local vendors, producers, and service providers, which has helped us survive in the abnormal condition. Vocal for local gives unambiguous status to the domestic industries and the small-scale Kirana stores. In this time, where we are struggling to maintain liquidity and regular cash flow, the local movement can also be seen as an impetus to reawaken demand and, hence, throw a lifeline to the small and marginal domestic industries that are struggling to survive in the wake of the pandemic. The objective of the study is to analyse the importance of 'Vocal for Local' programme for infant and small and medium enterprises, and the second objective defines how the local for vocal programme is helpful for global trade, especially with Southeast Asian nations. In order to provide a global identity to local enterprises as well as products, the Indian government has launched a delightful programme named "Vocal for Local," which would support the Skill India Mission as well as the Make in India Mission programme for economic growth.

**KEYWORDS:** *Vocal For Local, Make In India, Skill India, Balance Of Trade, Skilled, Employment, Atmanirbhar Bharat, Etc.*

## 1. INTRODUCTION

India is the second fast growing and developing economy after China. But during the last three years, most of the developed and developing economies is facing the problem of COVID-19 pandemic and world economies are in the situation of slow down. The economies of Sri Lanka and Pakistan have been crashed. There is lot of problem of food items, medicines, fuel as well as essential commodities which is useful in day to life. In order to come out from the problem of COVID-19 pandemic, most of nations including Indian had imposed lockdown on the local as well as national levels, which affects the food supply chain. So, the world economy has affected badly. Millions of people have lost their jobs and peoples have to migrate in their home town. Industries have been closed, output and employment affected badly and fall at the lowest level. The gross domestic product (GDP) growth rate fall at a negative level and balance of payment have become unfavourable at the global level as well as with ASEAN nations. In this situation, the Indian government started various schemes which boost the economy through creating the employment opportunities.

Therefore, the Prime Minister Narendra Modi has started a plan to become "self-reliant" in manufacturing sector called "Vocal for Local and Local for Global" which motivated not just about buying the local products but also encouraging them through numerous channels in national and international platform also. In this regard,

there is need to use digital media and online tools to create linkages between producers and consumers. Direct selling of the goods and services has become profitable for the locals which would be helpful for skilling them in various aspects of production, packaging, logistics, marketing, sales and so on. Besides, many women entrepreneurs, SHGs and self-employed will get a chance to market products to a larger consumer base. In the support of vocal for local, the PM said that Indian population have taken various steps regarding vocal for local and manufacturers are also in line of making top quality products which will boost the efforts towards "Aatmanirbhar Bharat". The PM also stated that this is the right time to work with 'zero effect and zero defect' policy. For this, entrepreneurs and start-ups must come forward.

"Vocal for Local" is a very significant initiative of self-reliant for local producers, local workforce who are somewhat skilled, semi-skilled or skilled. It would create an opportunity for them to boost their products on the global platform and to support Indian economy at the grassroots level which is a vital step towards self-reliance. In this regard, our Prime Minister has appealed to the locals to buy our local products which would support the local business players, manufacturers, markets and supply chain manager. During the period of COVID-19 pandemic, lockdown had imposed by the local and national level which has strictly followed at all levels. In this situation, the supply chain has disrupted and the requirement is fulfilled by the local level defines the importance of local vendors, producers and services provider which has helped us for survival in the abnormal condition. Thus, vocal for local gives importance to domestic industries and small-scale Kirana stores and be helpful to improve the country's Balance of Trade (BoT) globally. This study is conceptual and analytical in nature and it is based on the various programmes for self-reliant which are already launched by the government earlier like Skill India Mission, Make in India, Self-help group, Swarnajayanti Gram Swarozgar Yojana (SJSY) etc. which are helpful for self-reliant and self-sufficient India. In order to provide the global identity to the local entrepreneurs as well as products, Indian government has launched a delightful programme named "Vocal for Local" which would support Skill India Mission as well as Make in India mission programme for economic growth.

## 2. OBJECTIVE

This study is based on the following objectives are as follows:

- To analyse the need of Vocal for Local in self-reliant.
- To examine the prospects of vocal for local for trade with ASEAN nation.

## 3. RESEARCH METHODOLOGY

This study is descriptive and analytical in nature. For this study, secondary data have been collected from various websites of Ministry and Departments as well as ASEAN. It describes about the Vocal for Local and analyses prospects and challenge of Vocal for Local.

## 4. ANALYSIS

### 4.1 Why India needs to be vocal for local

During the COVID-19 pandemic, the concept of 'Vocal for Local' has become in the effect, the idea behind this movement is not new. It finds its roots in the Swadeshi movement which was popularised in 1905 in the Indian independence struggle. Developed and promoted by Mahatma Gandhi and the other great freedom fighters, Swadeshi was conceived as a way to swallow nationalism and nationalistic pride among Indians. The main needs of Vocal for Local" are as under;

- The idea of vocal for local is helpful to encourage the demand of local industries among local consumers as well national and international platform..
- The vocal for local is helpful in various ways including to promote and support the Indian economy, to fulfil domestic requirement of the necessary items in the abnormal condition which requires the vocal for local mission. During the lock down, most of the countries close down their borders and nations were struggling to meet their basic requirements and substituted products with their locals which are generally imported from other countries.
- Vocal for local gives vibrant importance to the home industries and the small-scale Kirana stores. In such time where we are struggling to maintain liquidity and regular cash flow, the vocal for local movement can also be seen as an energy to reawaken demand and hence, to throw a lifeline to the small and marginal domestic industries which are struggling to survive in the wake of the pandemic.

- If demand shifts in favour of home industries, then the advantage is three-fold. First, it will reduce dependence on foreign products, and hence, cut down on the import pressure. Second, it will give a fighting chance to domestic companies to survive through the crisis period. Third, it will fit in with the economic backlash against ASEAN and China, and place India in a strategic position to emerge as the new manufacturing centre of the world.

### India-ASEAN trade

**TABLE-1 INDIA'S TRADE WITH ASEAN COUNTRIES DURING 2004-2020(USD BILLION)**

| Year    | Export | Import | Trade  | Balance of Trade |
|---------|--------|--------|--------|------------------|
| 2004    | 7.552  | 8.550  | 16.102 | -0.998           |
| 2005    | 10.286 | 10.632 | 20.918 | -0.346           |
| 2006    | 12.369 | 16.301 | 28.670 | -0.393           |
| 2007    | 13.824 | 21.031 | 34.855 | -7.207           |
| 2008    | 17.407 | 26.698 | 44.106 | -9.291           |
| 2009    | 19.925 | 23.968 | 43.893 | -4.043           |
| 2010    | 22.958 | 29.640 | 52.599 | -6.682           |
| 2011    | 34.498 | 40.331 | 74.829 | -5.834           |
| 2012    | 32.295 | 42.737 | 75.032 | -10.443          |
| 2013    | 37.885 | 42.308 | 80.193 | -4.423           |
| 2014    | 31.294 | 44.457 | 75.751 | -13.163          |
| 2015    | 26.428 | 41.516 | 67.944 | -15.088          |
| 2016    | 26.381 | 38.222 | 64.603 | -11.841          |
| 2017    | 35.411 | 45.313 | 80.724 | -9.902           |
| 2018    | 37.470 | 59.320 | 96.790 | -21.850          |
| 2020    | 31.810 | 44.710 | 76.520 | -12.900          |
| 2021-22 | 42.32  | 68.08  | 110.04 | -25.76           |

(Source: United Nations Commodity Trade Database (UNCOMTRADE))

The above table-1 shows that during the period of 2004 to 2020, India's balance of trade remained unfavourable for India. In 2004, the India's balance of trade was US\$-0.998 billion which has increased up to US\$-25.76 billion in 2021-22. It explains that India's import rate of growth was higher than growth rate of export during this period which is significant for ASEAN and insignificant for India. Thus, in order to decreased this balance of trade India have launched various programmes like skill India mission, Make in India, Atmanirbhar Bharat and Vocal for Local, which would be helpful to make self-reliant to India. India should focus on imported items which create unfavourable balance of payment and could be help in Atmanirbhar.

## 5. CHALLENGES

The vocal for local mission would make India self-reliant as well as self-sufficient, it does not mean not to completely cut down on all imports and all consumption of foreign products. For instance, there are certain raw materials and fuel, which have to be imported as India does not have enough reserves to fulfil their demand locally. The idea is to promote local industries and consume local products wherever possible so that the long term effects of an increase in demand to develop the domestic industries and make them gradually self-reliant. This will help in the scale-up of production, and eventually, make India a manufacturing centre for the world.

Recently, some of the sectors are heavily dependent on the import of raw materials from different countries, while others are moderately or less dependent for instance, the electronics industry. According to a report published by the CII, 88% of the components used to manufacture cell-phones are imported from ASEAN, China and other countries. Similarly, the pharmaceutical and medical industry is also rather dependent on imports-both for medical equipment and medicines. About 60% of medical devices are imported, along with raw materials for the manufacture of antibiotics, vitamins and other drugs.



The reason why these products are imported from abroad and not manufactured in India itself. The manufacture of these raw materials requires large sources of clean water, energy and infrastructural investment. It is not only cheaper, but also the better quality products. Then, all Indian firms need to worry about is the accumulating of the final product. **It is also because of these reasons why it is challenging for India to reduce its dependence on foreign imports and produce domestic substitutes.** For instance, one of the primary sources of import of chemicals for the dyeing of textiles is China. When the lockdown first commenced, 20% of India's production of dyes was disrupted due to the unavailability of raw materials. The manufacturing sector in India has to be developed in such a way that it can offer better and more competitive prices than the other contenders like Vietnam, Malaysia, etc.

There is also the fact that the Vocal for Local movement is not the first initiative to make India a manufacturing centre. It is simply the Make in India movement in a new avatar. The Make in India movement was launched in 2014 to give an impetus to manufacturing firms in India, and with the vision of eventually replacing China as the manufacturing centre. Since its launch, however, the share of the manufacturing sector in the GDP actually fell instead of rising. This was due to a combination of factors-namely improper policy implementation along with unreasonable ambitions. Vocal for Local can only be successful, if it learns from the mistakes in the Make in India campaign, and adjusts its ambitions and policy implementations accordingly.

## 6. OPPORTUNITIES

According to the Albert Einstein, in the midst of every crisis, lies great opportunity". Amidst the coronavirus pandemic and the ensuing panic, we invariably turned to local products during the lockdown. About 1.3 billion people is already widespread with nationalism along with a mixture of compassion and empathy. In times of crisis, Indian population visualised eminent prospect of supporting fellow countrymen and domestic industries, especially the MSMEs. Even, more potent is the feeling of hatred towards China, the present manufacturing centre of the world. Whether it is by accident or by design, the Chinese economy has been largely blamed on international forums for being the fountainhead for the virus which has claimed over 12 million people. China has been on the receiving end of severe criticism on international forums.

In fact, led by the US, the Boycott China movement has been gaining traction as more and more countries follow suit. India too is one of them. Using China as a scapegoat for all the angst and sorrow which has enveloped the world in the wake of the crisis, people have been burning Chinese made phones and other products. The government of India has participated in this movement by rethinking the plans for 5G tender, as well as by imposing a ban on several Chinese apps.

Thus India finds itself with the very unique opportunity to replace China as the world's manufacturing centre. Realising that time is of the essence, the government has already rolled out several measures designed to attract foreign firms, such as long term measures to improve India's ease of doing business, labour reforms and the opening up of other sectors to private and foreign investment. The government has also revealed several measures to give a boost to the startup environment in India, such as changing the definition of MSMEs by increasing the revenue bracket.

## 7. FINDINGS

**The findings of the study are as under;**

- The idea of local for vocal promotes local industries for the long term consumption which make India self-reliant.
- In the condition of self-reliant, India can fight from any abnormal situation i.e. we not have to depend on others.
- It will cut down the import pressure and to make India as the new manufacturing centre of the world.
- India's balance of trade remained unfavourable with ASEAN nations.
- From the economic supporting programme, India is growing as a production hub at the global platform.

## 8. CONCLUSION

The fight against the pandemic COVID-19 is a joint effort by the government and citizens of the country. The campaigns as mentioned above shall encourage all Indians to buy 'Made in India' products and to look for 'Made in India' tags. Generally we see the expiry date on the product because we are aware that we should not use products after expiry date. If we develop the practice of checking 'Made in India' label before any purchase as we check manufacturing date and MRP of items before buying any product, we will become a change agent to help the country to rebuild its economy and become self-reliant nation. Various campaigns which is taking forward India towards realizing the goal of Atmanirbhar Bharat and supporting indigenous businesses. If all producers and consumers of India undertake this appeal of Prime Minister to support domestic business, India can achieve the goal of realizing US\$5 trillion economy. It is also correct that promoting local brand is not merely a need but a moral responsibility for Indian citizens. It must be understood that people of India are accountable for developing the national economy.

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