



# Modern India: A Globalized Workspace

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## Abstract

Prime Minister Narendra Modi introduced the "Make in India" initiative in 2014 with the goal of increasing foreign investment and the nation's own manufacturing industry. The campaign had begun on the 25th September 2014, and has come to be recognized as one of the greatest achievements of the Indian economy ever since. The Indian economy appears to gain from both approaches, but in different ways.

The government wants to revive the lagging manufacturing sector and spur the growth of the economy. The GOI also intends to encourage businesses from abroad into investing in the country and also manufacture here, by improving the country's 'Ease of Doing Business' index. The long-term vision is to gradually develop India into a global manufacturing hub, and also boost employment opportunities in the country. PM Narendra Modi is essentially enticing wealthy and semi-rich nations to come to India and invest in the country's future via this program. It's similar to asking other nations to establish businesses in India and produce goods there. It says it all: produce in India, sell everywhere.

**Keywords:** Initiative, Make In India, Sustainability, Economy, Growth, Key Differences, Gross Domestic Product, Purchasing Power Parity.

## 1. Introduction

On September 25, 2014, Prime Minister Narendra Modi introduced the Made in India project, whose main objective is to turn India into a worldwide powerhouse for manufacturing by enticing both local and foreign businesses to produce their goods there.

The initiative, which is being spearheaded by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India, aims to increase the manufacturing sector's current 16% GDP contribution to 25% by 2025. A number of new initiatives have been launched by Made in India with the goals of advancing foreign direct investment, enforcing intellectual property rights, and growing the manufacturing industry.

The 25 target industries are also featured on the Made in India website, which also provides all pertinent information about these sectors and related government initiatives, such as FDI rules and intellectual property rights. The following list includes the key 27 sectors that this campaign is covering:

**Manufacturing Sectors:**

1. Aerospace and Defence
2. Automotive and Auto Components
3. Pharmaceuticals and Medical Devices
4. Bio-Technology
5. Capital Goods
6. Textile and Apparels
7. Chemicals and Petro chemicals
8. Electronics System Design and Manufacturing (ESDM)
9. Leather & Footwear
10. Food Processing
11. Gems and Jewellery
12. Shipping
13. Railways
14. Construction
15. New and Renewable Energy

**Services Sectors:**

16. Information Technology & Information Technology enabled Services (IT &ITeS)
17. Tourism and Hospitality Services
18. Medical Value Travel
19. Transport and Logistics Services
20. Accounting and Finance Services

21. Audio Visual Services
22. Legal Services
23. Communication Services
24. Construction and Related Engineering Services
25. Environmental Services
26. Financial Services
27. Education Services

In addition, it aims to promote innovation, protect intellectual property, create jobs, and improve skill development. The "Make in India" emblem, which features a lion fashioned from gear wheels, signifies the crucial role that manufacturing plays in the government's agenda and the advancement of the country.

### 1.1 Growth

The "Make in India" initiative is receiving investments from several global businesses, which has a significant influence on India's economy. It goes without saying that the establishment of large corporations here would have an immediate impact on India's GDP. Therefore, understand these implications of Made in India on the economy before starting your business in India through an investment in the initiative:

India improved by 30 places from its ranking of 130 in the Ease of Doing Business Report 2017 to number 100 out of 190 countries evaluated by the Doing Business Team in the Ease of Doing Business Report, 2018. Six out of ten indicators—that is, obtaining finance, safeguarding minority investors, paying taxes, upholding contracts, and handling insolvency—saw improvements in India

The government's implementation of a number of reform measures, such as the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC), structural and deeply ingrained reforms like Demonetization, the Monetary Policy's mechanism for targeting inflation, the advancement of Aadhaar enrollment and use in targeted benefit delivery, and the announcement of the government's decision to recapitalize public sector banks, have all contributed to these improvements in rankings

### 1.2 Make in India Logo

The Make in India logo is a lion. It is a lion's silhouette filled with cogs. This symbolizes manufacturing, national pride, and

strength. The national emblem of India is the source of the "Made in India" logo. The wheel represents both calm advancement and vitality; it is a nod to India's enlightened past and a guide to a bright future. The sly lion is a symbol of power, bravery, persistence, and knowledge—values that are as timeless as they have ever been in Indian culture.

### 1.3 Advantages

The Make in India campaign has had several positive developments for the country. Below are some more benefits that have been derived from this mission.

- The "Made in India" project contributes to the creation of jobs for India's growing workforce.
- India's transformation into a center for the production of diverse commercial goods.
- Development of the regions and nearby places where the industries will be positioned.
- The initiative would increase the GDP of the Indian economy by bringing in a massive influx of revenue from foreign investors.
- Under this proposal, foreign direct investment would fortify the rupee in opposition to the dominance of the US currency.
- India will have the chance to utilize the newest technology as nations from all over the world will be bringing it with them, since it is now lacking in several test mechanization.
- The establishment of industries under this program will aid in the rural areas' growth.

### 1.4 Negative Aspects

- The manufacturing industry is the exclusive focus of the "Made in India" campaign. Thus, this has a detrimental effect on India's agriculture industry.
- Because the establishment of industrial businesses necessitates the large-scale use of natural resources like land and water. Therefore, there's a chance that these natural resources will run out, endangering the life of India's sizable population.
- The entry of foreign nations into India's manufacturing sector has put the tiny local company owners at risk of going out of business.
- a significant disturbance to the agricultural industry as a result of the land being used largely for the establishment of industrial companies.
- Intense rivalry causes FDI returns to decline and causes capital to leave the economy.

- If the foreign investors back out of the effort, unemployment will result.

## 2. Made in India

The "Made in India" campaign gave the goods produced in India a distinct character. This initiative is unpopular with international investors and is thought to be an ineffective use of the nation's resources. In order to provide jobs for the majority of Indians, it promotes local manufacturers to use resources like land, labor, money, entrepreneurship, and technology to make items in the nation. This initiative would identify and support Indian-made brands if it were well advertised. It will provide home producers a stage on which to compete with imported goods and improve the caliber of their output.

### 2.1 Advantages

- Economical use of the nation's resources and ability to produce a good
- Creation of job possibilities for the masses in India
- Encourages home producers to make products in India

### 2.2 Negative Aspects

The Indian economy's current state is not conducive to the success of homegrown brands. In an effort to increase competitiveness and raise the caliber of Made in India goods, the BJP administration is placing more emphasis on the initiative, which will help India gain international recognition. Both exports and the number of customers have decreased as a result of the worse quality of local products.

### 2.3 Important Differences

First, it establishes a service, which is the president's main objective.

Second, even the most basic security devices may be established as high-quality manufacturing methods. This contributes to the global manufacturing commerce that is necessary for the production of goods that are Made in India.

- Weapons designers and integrators can handle more complex and well-designed weapons that function. Actuators, sensors, fuse packing containers, washers, bolts, and elevated pump levels are all readily available at lower levels of manufacturing without requiring the importation or development of new devices.
- When we export our domestically produced goods to completely other countries, Made in India benefits the Indian economy. Moreover, the Made in India initiative will support the country's financial system by allowing outside investors to make legitimate contributions here and by providing access to the assembly house for the local populace.

- The model new authorities started an enterprise pitching program where you may recruit foreign industrial enterprises to reorganize their bases in India.

The main goal of this train is, in general, to provide more opportunities for Indians right here.

On the other hand, the Made in India is just a joke. It does so in light of the fact that outside groups have found subpar labor in India.

### 3. The Paper's Objective

- To investigate the idea and goals of MAKE IN INDIA
- To understand the significance of the "Made in India" campaign
- To research "Made in India" and understand the main distinctions between Made in India and Made in India
- To ascertain the effects of "Made in India" on the Indian economy
- India a global attraction for Investments in Business.

### 4. Methods of Research

The study focuses on a thorough analysis of secondary material that was gathered from offline yearly reports, periodicals, government papers, and publications from several websites that addressed my topic.

### 5. Government Initiatives

1. More Foreign Direct Investment (FDI) is now allowed in the railway, insurance, military, and medical device industries for the first time.
2. The automatic route's maximum foreign direct investment (FDI) ceiling in the defense sector has increased from 49% to 74%. On May 16, 2020, Finance Minister Nirmala Sitaraman made this FDI boost announcement.
3. Under the automatic route, 100% FDI in construction and designated rail infrastructure projects has been approved.
4. An Investor Facilitation Cell provides support to investors from the moment they arrive in India until they leave the nation. This was established in 2014 to provide investors with services at every stage, including pre-investment, execution, and post-delivery services.
5. The government has made efforts to raise India's standing in the "Ease of Doing Business" index. India became the highest-ranked country in South Asia in the Ease of Doing Business ranking in 2019 after rising 23 spots to 77th position.

6. New portals such as eBiz and Shram Suvidha have been launched. Eleven government services related to launching a business in India are accessible through the eBiz platform in a single window.
7. There have also been alterations made to the licenses and permissions needed to launch a firm. A number of reforms are being implemented in areas like as property registration, tax payment, obtaining a power connection, contract enforcement, and bankruptcy resolution.
8. Additional reforms include the licensing procedure, deadline-driven clearances for foreign investor applications, automation of the Employees State Insurance Corporation and Employees Provident Fund Organization registration processes, state adoption of best practices in clearance granting, a reduction in the amount of export documentation, and assurance of compliance through peer review, self-certification, etc.
9. The PPP investment model is the primary means by which the government intends to enhance physical infrastructure. There has been more investment in ports and airports. Additionally, freight-only lanes are being created.

The establishment of five industrial corridors is being planned by the government. They have started. With a strategic focus on inclusive development that will support industry and urbanization in a planned way, these corridors are dispersed over the entirety of India. The hallways consist of:

1. Amritsar-Kolkata Industrial Corridor (AKIC)
2. Bengaluru-Mumbai Economic Corridor (BMEC)
3. Chennai-Bengaluru Industrial Corridor (CBIC)
4. Delhi-Mumbai Industrial Corridor (DMIC)
5. Vizag-Chennai Industrial Corridor (VCIC)

## 5.1 Some Government Schemes

Several schemes were launched to support the Make in India programme. These schemes are discussed below:

### Skill India

The project is to annually skill 10 million people in India across many sectors. In order to make "Made in India" a reality, the vast pool of human resources must be upskilled. This is significant because just 2% of Indians are employed in formal skilled industries.

### **Startup India**

The primary goal of this initiative is to create an ecosystem that supports the development of startups, propels long-term economic growth, and generates significant employment..

### **Digital India**

This aims to transform India into a knowledge-based and digitally empowered economy.

### **Pradhan Mantri Jan Dhan Yojana (PMJDY)**

The goal of financial inclusion is to provide affordable access to financial services, such as bank savings and deposit accounts, remittances, credit, insurance, and pensions.

### **Smart Cities**

Indian cities are to be revitalized and transformed by this goal. The objective is to establish 100 smart cities in India by means of many sub-initiatives.

### **AMRUT**

The Atal Mission for Rejuvenation and Urban Transformation is known as AMRUT. It seeks to construct fundamental public facilities and improve the livability and inclusivity of 500 Indian cities..

### **Swachh Bharat Abhiyan**

This is a mission aimed at making India more cleaner and promoting basic sanitation and hygiene.

### **Sagarmala**

This scheme aims at developing ports and promoting port-led development in the country.

### **International Solar Alliance (ISA)**

The ISA is an alliance of 121 nations, the majority of which are sun-loving nations that fall entirely or partially between the Tropics of Cancer and Capricorn. This program is an effort by India to set policies and encourage research and development in the field of solar technology.



## AGNII

Accelerating Growth of New India's Innovation, or AGNII, was established with the goal of advancing the nation's innovation ecosystem via fostering connections and aiding in the commercialization of ideas.

### 6. Effect on the Economy of India

This campaign will have an effect on both the domestic and global levels. The country's young will have more work options as the manufacturing sector grows, which will also reduce poverty, draw in investments, add value to Indian commodities, and address the growing trade imbalance. It will raise India's profile internationally and encourage investors to view the country as an opportunity rather than just a market. It is inevitable that local enterprises will become multinational corporations (MNCs) as a result of their interactions with foreign firms.

The following actions have been taken by the government to support this campaign:

- 'Invest India' was established (this would serve as the initial point of contact for investors).
- assembling a panel of experts to address complaints and respond to questions from both domestic and foreign investors in a day
- setting up a dedicated web portal "<http://www.makeinindia.com>" to resolve all queries
- railroads and military manufacturing FDI caps should be increased to 100% and 49%, respectively.
- The campaign's positive atmosphere has greatly enhanced people's perceptions of the Indian economy.

It is anticipated that by 2025, India's consumption would have tripled to US\$ 4 trillion, making it the third largest consumer economy. India's consumption is predicted to triple to US\$ 4 trillion by 2025 due to changes in consumer spending patterns and behavior, making it the third largest consumer economy globally. By 2040, PricewaterhouseCoopers predicts that India will overtake the United States as the second largest economy in terms of purchasing power parity (PPP).

Although the economy is benefiting from the new rankings, much more work has to be done on the ground. For instance, the ranking for beginning a firm has dropped from 155 in 2016 to 156, a decrease of one spot. If the government wants the "Start Up" India initiative to be successful, it must take considerably more action in this area. India also performed worse when it came to contract enforcement and property registration.

It represents the sluggish advancement of labor and land reform. Therefore, while the administration may feel encouraged by the new rankings, it still has to make significant progress before it can truly celebrate.

According to estimates, India's GDP grew by 7.2% in 2018–19 and 7.2% in 2017–18. With more than 4,750 technological start-ups, India continues to be the third-largest global startup base.

Based on factors like higher education enrollment, labor force participation, and population growth rate, India's work force is projected to reach 160–170 million by 2020 other variables, according an ASSOCHAM and Thought Arbitrage Research Institute research.

Based on statistics from the RBI, India's foreign exchange reserves was at US\$ 405.64 billion in the week ending March 15, 2019.

## 7. Conclusion

By 2025, India has the potential to increase its manufacturing share of GDP to 25%. In order to realize this goal, the government must serve as the focal point for bringing together the public and private sectors, industry, and other interested parties.

Policies must be implemented by the government, whether they deal with labor changes, industry reforms, or the removal of obstacles for business. The Indian government has implemented several measures aimed at promoting investment and enhancing the business environment. One such long-term project that will aid in realizing the goal of making India a "manufacturing hub" is the "Make in India" campaign.

Hon'ble Prime Minister's call for "zero defect and zero effect" manufacturing resonates well with our industry as we grow and produce for the world. India's expanding economy offers equal investment opportunities to domestic entrepreneurs and international players. It is our responsibility to leverage emerging economy.

India's GDP is predicted to grow to US\$ 6 trillion by FY27, placing it in the upper middle income bracket thanks to reforms, globalization, favorable demographics, and digitalization. As a result, a sensible course of action must be taken. A report by the Boston Consulting Group (BCG) predicts that India will be the third largest consumer economy by 2025, with consumption potentially tripling to US\$ 4 trillion due to changes in consumer spending patterns. A PricewaterhouseCoopers report projects that India will overtake the United States to become the second largest economy by 2040 in terms of purchasing power parity (PPP).

Thanks to several government efforts like Made in India and Digital India, many international corporations are establishing their facilities in India. The Made in India initiative was introduced by Prime Minister of India, Mr. Narendra Modi, with the intention of strengthening the manufacturing sector of the Indian economy and raising the average Indian consumer's purchasing power. This would increase demand and therefore promote development, while also helping investors.

The manufacturing sector now contributes 17% of the GDP; the government of India is hoping to increase this to 25% of the GDP through the Make in India project. In addition, the government has launched the Digital India program, which has three main goals: building digital infrastructure; providing services online; and raising the level of digital literacy.

The Prime Minister said “FDI” should be understood as “First Develop India” along with “Foreign Direct Investment.” He urged investors not to look at India merely as a market, but instead see it as an opportunity.

"Make in India" is evidence that the country is prepared to embrace change in order to advance toward becoming an economic superpower.

To sum up, it is reasonable to say that everyone has the chance to benefit from make in India. It's a possibility that, given enough time, may bear the anticipated fruit and blossom like a spring flower. “Make in India” will assist the nation become more independent in terms of product production while also encouraging foreign investment in the economy.

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