

# Make In India : An Initiative to Change The Indian Economy From the Agrarian to Industry Dependent

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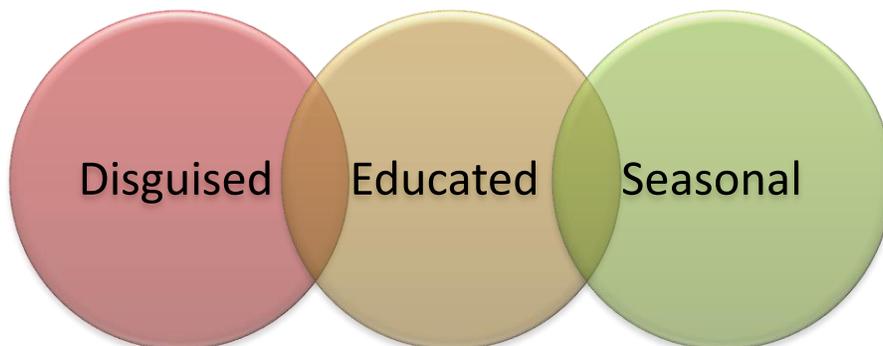
**ABSTRACT :** India is the second largest populous country of the world after China, but Indian economy depends more upon the agricultural sector than the other sector like manufacturing and service sectors. The experts analysis about the economy development of the developed countries revealed that the services sectors is capable to attract more revenue and job opportunities in addition to the return of investment. Agriculture is not a field where one can earn as much money as in other service and manufacturing sector. That is the reason for the Indian government to look a option to enhance the service and manufacturing sector in order to increase the gross domestic product (GDP) and Gross domestic income (GDI) . Both the term directly reflect the status of the economy of any country and explain about growth and well being of the country. In order to achieve these aims , Indian government has taken the initiative of the Make In India to convert the agriculture based economy into more industry dependent.

**KEYWORDS :** Make in India, Indian textile industries, Gross domestic product, Economy, agriculture, Industry.

## INTRODUCTION

India economy is a agrarian economy where approximately 70 percentage of the population worked in the agriculture and allied sector. The agricultural sector highly depends upon the environmental factor such as the raining pattern etc. The agricultural sector does not necessarily require the highly skilled worker as this sector still using the many techniques which are many decades old. This sector is also highly unreliable according to calculation of the generated income [1]. The market is highly fluctuate according to the demand rate of the items. Some times a single crop has been produced in such a huge quantity that the market rate of that particular quantity falls drastically and it also happen that any particular quantity was not produced in sufficient quantity and it will increase the demand rate of that item ,and hence increase the price of that quantity .

In fact, there is absence of the centralise crop pattern in India ,therefore, we can not able to decide the area for the growing of the any particular crop on pan india level .There is a need to decide the crop pattern so that authority can issue the notification regarding the future requirement of the any crop and on this basis decide the area to be cultivated . This technique might have solve the the problem of the scarcity of the crop and at the same time ,address the problem of the abundance of the crops . The reason behind this concept is that abundance of the crop will make the deflation for the farmers and there income will go down and vice versa . The one more point associated with the agriculture is that it might have seen disguised type employment and this is not good for the economy of the country and even not for an individual family. Figure 1 has been explained about the type of the unemployment in the rural india [2].

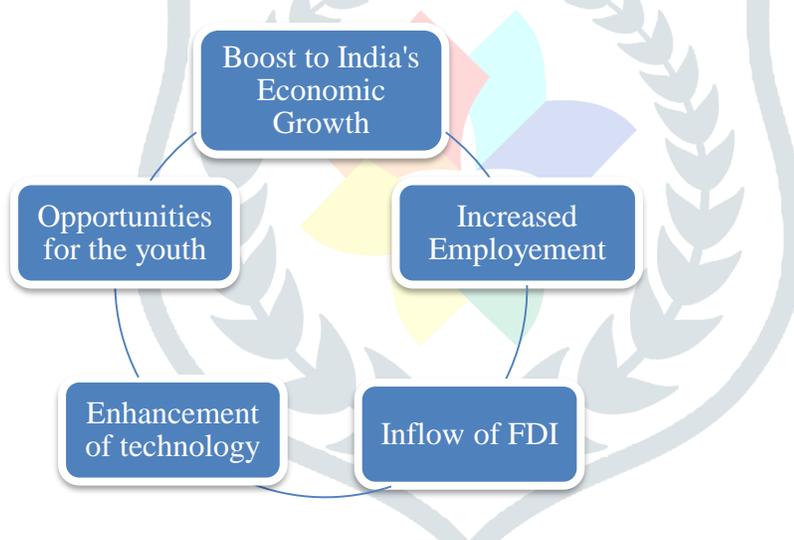


**Figure 1: Types Of The Unemployment In Rural India**

In a developing economy like India, there is need of the inclusive growth in order to include the people from all the section and make them empowered. Inclusive growth strategy assumes that individuals from all sectors have an ability to participate in the growth process, which means generating the policy design that involves individuals who are excluded in the usual course, as well as making a number of provisions and services available to all sectors, including those that have been excluded so far. There are parts which have remained relatively backward. While virtually all sections in India may have progressed in absolute terms, the experience of growth has varied widely across sections.

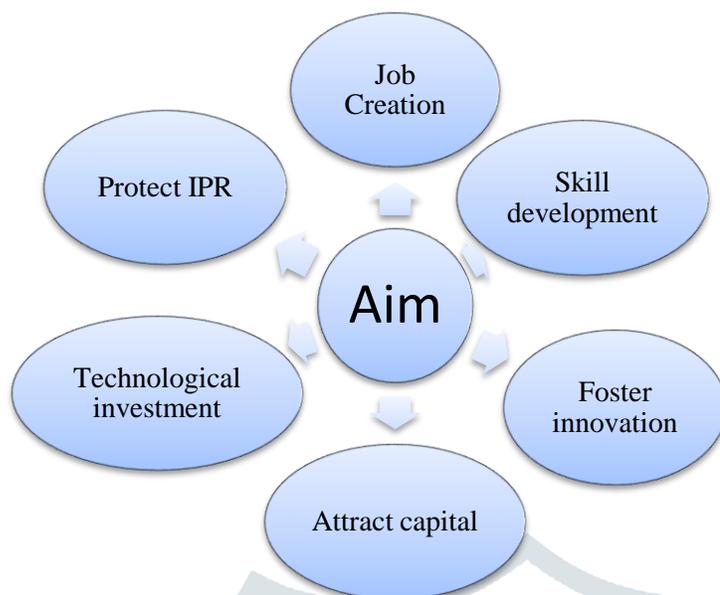
Inclusive development can be characterised as the process and outcome in which all groups of individuals have participated and benefited equitably from the development organisation. It can be accomplished through the expansion of the regional reach of economic development, the expansion of access to assets and prosperous markets and the expansion of equity in jobs for Indian people of the next generation, regardless of who they are or where they live [2]. There are many important factors upon which any country's inclusive growth will be depended. These factors included the capability, access, agricultural growth, poverty reduction, employment generation, reduction in the sectoral disparities, socio economic factors.

Inclusive growth depends upon the compliance with the sustainable development goal in addition to gathering of the all section of society for the overall growth and development of the country. The growth also depend upon the gross domestic product and the purchasing power parity of an individual. Growth of the agriculture is able to give a boost in the inclusive growth as the majority of the people have engaged in the agriculture and current generated income in agricultural sector is not sufficient for the people in this sector. In modern world, people have been changing their food habit very fast and their dependencies on the nonfood grain have increased. Figure 2 illustrate the impact of the liberation, globalisation and privatisation.



**Figure 2: Impact of the Liberation, Globalisation and Privatisation**

The changing habit of the food of the people have drastically impacted the growth of the agriculture. The one more problem with the indian economy is the high population as india has the second largest papulation in the world that will creat the problem of the high unemployment in india. In order to address the problem of the unemployment, indian government has taken many initiative as a economy reform [3]. The one of the important regorm of the indian government is the make in india initaitive. This initiative have pave the way to solution of the many problem to address the shortfall in the indian economy. Some of the benefit of the make in inida have given in the Figure 3 below.



**Figure 3: Aim Of The Initiative Of Make In India**

## REVIEW OF THE LITERATURE

Banerji, Dr. Priyanka have studied the economical aspect in India and have revealed that Economic Survey, foreign direct investment ( FDI) in India has received a thesis enhancement from the implementation of the Make in India scheme. From October, 2014 to June , 2015, there was a significant rise in FDI inflows of almost 40 percent. This was attributed to the launch of the initiative in September 2014, which aimed to promote the development segments and be a magnet for foreign investment. Business organizations from different countries, such as Japan, France , South Korea and China, have declared that they are also preparing to do so in India. With GDP trends continuing to increase, however after demonetization, India has developed its charisma as one of the world's fastest growing economies. It ranks among the top 10 destinations for various investments that are striking. In terms of foreign investments, it has been investor friendly. The government has taken numerous steps to open up new markets in order to attract foreign direct investment. FDI policy reforms have been implemented to make it easier to do business and gear up the pace of foreign investment in India. This paper aims to clarify the effect on FDI of the Make in India scheme [4].

Ganesan, L et al. have explained about the make in India initiatives related with the health care sector. The expectation has been made that make in India will be proved a miles stone for the progress of the health care sector in India and make the India a global leader in the health care sector. The health care sector covers the area which comprises the hospitals, drugs and pharmaceutical, diagnostic centers, medical devices and all other domains related to the health care sectors. India 's health model is paradoxical, i.e., on the first hand, it boasts of receiving medical tourists from around the world at cheaper rates for its quality healthcare system, and then on the other, it is marked by a shortage of available, reliable health facilities for a large part of its population. The "Made in India" project of the Government of India offers a forum for the private sector to expand abroad as well as provide India with the much needed capital for healthcare. The researchers tried to study the different aspects of Make in India for Healthcare in this paper and a SWOT review was made to understand the current state as well as future prospects in the same one. The researchers therefore argue that while the Make in India program is directionally correct, its effect on improving access to adequate quality healthcare relies on how the government policy in question is framed, evolved and implemented effectively [5].

Neelofar Kamal have studied the impact of the make in India initiative on the automobile sector and revealed that the automotive industry is one of the core industries in India, along with the automotive parts industry. In

the growth of an economy, a well-developed transport system plays a key role and India is no exception to it. Automotive is one of the world's biggest markets. Because of its good forward and backward relations with many main economic segments. A prominent position in the fabric of the Indian economy is occupied by the automotive industry. And it soon became a rallying cry for India's countless stakeholders and allies against the backdrop of this crisis. It was a strong, galvanizing appeal to the people and business leaders of India to take action, and an invitation to potential partners and investors around the world. But, Make in India is much more than just an inspirational slogan. This reflects a systematic and unprecedented overhaul of out-dated practices and policies [6].

### 1. Business sector covered in the make in India

The government of the India under the leadership of the Prime Minister Mr. Modi has kick off the policies of the make in India in 2014 the main of the initiative of the campaigning is to make India a world Leader in the commerce and trade apart from the self-sufficient in its own requirement of the technology and commodities. Table 1 is showing the domain of the industry and services sectors to be targeted in the initiatives of the Make in India [7].

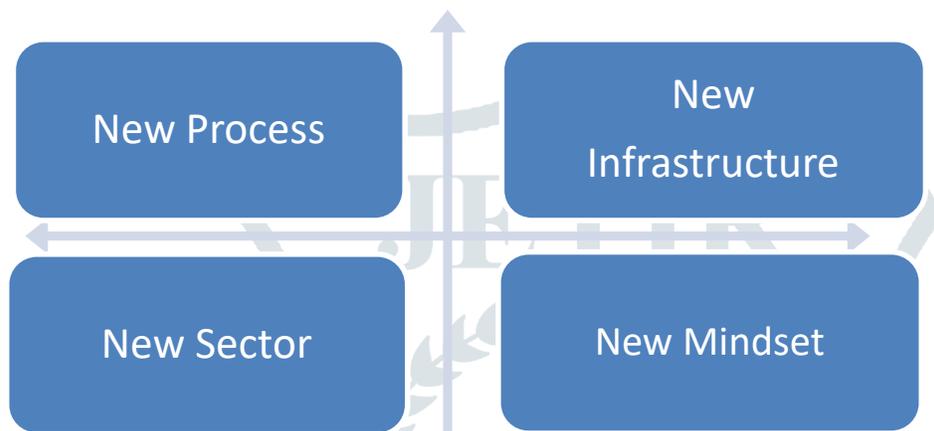
**Table 1: Sectors Covered in the Make In India**

1	Automobile	15	Mining
2	Automobile component	16	Gas and Oil
3	Aviation	17	Pharmaceuticals
4	Bio Technology	18	Ports
5	Chemical	19	Railways
6	Construction	20	Renewable energy
7	Defence Manufacturing	21	Roads and Highways
8	Electrical Manufacturing	22	Space
9	Electronic	23	Textile Garments
10	Systems	24	Thermal Power
11	Food Processing	25	Tourism
12	IT and BPM	26	Hospitality
13	Leather	27	Wellness
14	Media and Entertainment	28	

The automotive industry is one of the core industries in India, along with the automotive parts industry. In the growth of an economy, a well-developed transport system plays a key role and India is no exception to it.

Automotive is one of the world's biggest markets. Because of its good forward and backward relations with many main economic segments. A prominent position in the fabric of the Indian economy is occupied by the automotive industry. The automobile sector has been considered as the main domin of the manufacturing sectors and this segment is responsible for the generation of the highest revenue and a large part of the paulation have engaged in this segment [8].

At an alarmingly fast pace, the Indian economy has been rising. Since the beginning of the 2000s, the near double-digit growth rate has been a hallmark of Indian GDP growth and is currently influenced by China. The bulk of this high growth can be traced to the government's public expenditure, which has followed the directives of the government's five-year plans to date. The service sector, which today accounts for nearly 60 percent of GDP, has driven much of India's post-liberalization growth. The viability of these strategies has been challenged in light of the global economic downturn. The government's 'Make in India' initiative is aimed at enabling a best-in - class manufacturing infrastructure to encourage manufacturing industry innovation.



**Figure 4: Four Pillar of the Make in India**

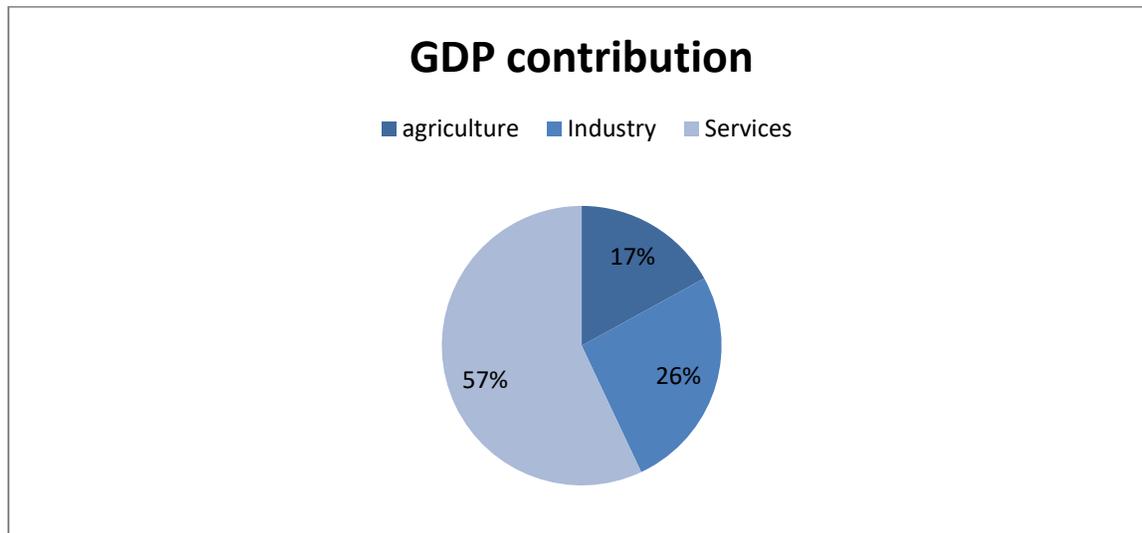
Figure 4 has been showing the four basic pillars for the make In India. Centered on the premise of turning India into a global manufacturing hub and attracting investment from around the world, this scheme also aims to exploit the enormous export potential of India. For the much needed transformation of the country from a largely agrarian to a modern industrial society, such a program is desperately needed [9]. Although an industry-focused strategy will ease the burden on the agricultural sector, India's role in the sense of a globalised and increasingly developed economy will also be reinforced. By growing its manufacturing sector, it is imperative that the economy generate new employment for its people.

The inherent labor-intensive existence of the textile sector has the potential to provide short-term employment and helps to grow the Indian economy. This sector, especially in rural regions, offers tremendous employment opportunities for people. India's textile industry accounts for 10% of the country's manufacturing output, 5% of India's GDP, and 13% of India's export earnings. The textile and apparel industry is the country's second largest work provider, directly employing almost 51 million people and indirectly employing 68 million people in 2015-16. Progress in manufacturing also has the ability to boost rural and semi-urban industries and to help mitigate regional inequalities through the provision of unskilled jobs across the nation.

## DISCUSSION

Indian economy is agararian economy and approximateley 70 percentage of the population have been employed . But Rvenue generation from the Agriculture and allied sector is not that much high as the services industry . Basically , All the revenue genaration activities have divided in to three segements as (1) agriculture (2) Industry (3) Services. The maximum people have employed with the agriculture and minimum people got their living with working in services sectors. But the services sector has responsible for the maixum contribution in the GDP as shown in Figure 5.

On comparison of Indian economy with the American economy, it has been seen that in America, only 2 percentage people have employed with the agriculture and more than 70 percentage are engaged with the services sector. Therefore, it is clear that American economy is developed because of the fact that maximum people have been engaged with the services sectors and they earn quite well in comparison to their agricultural counterpart. It is clear from this comparison that service sector based economy has the capability to employ its maximum people and good GDP, Better purchase power parity, better exposure to the technologies.



**Figure 5: Sector Wise Contribution In GDP**

## CONCLUSION

The target of the Indian government is to take the GDP up to 25 percentage by 2025. The plan of the government for Indian people is to empower them by increasing the opportunities of employment and also increase their purchasing power, that will directly reflect in the increased GDP. Agriculture is alone not sufficient to pave the way for becoming India a global economy power, thus it is necessary to implement such initiative that will create more chances to boost the economy and Make in India is such an initiative that will attract the industry leader to come in India and install their manufacturing unit apart from the established support mechanism to their business. As it is known that the service sectors have the capability to attract more and more revenue, therefore it is necessary to make a conducive environment for the organisations which are having the base outside India.

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