

## Process of “Make in India” Initiative Program

FerhatCagri Aras<sup>1</sup>

<sup>1</sup>(Political Studies, School of Social Sciences/ Jawaharlal Nehru University, India)  
Corresponding Author: FerhatCagri Aras1

---

**Abstract :** Make in India is an initiative created by the Indian government to encourage national and multinational companies to manufacture products in India. It has launched by Prime Minister Narendra Modi on September 25, 2014. This reform has emerged as the best state policy on the global scale for direct investment by other countries. As a result, India received an investment of \$ 413 billion until this time. Throughout the venture, 25 brochures and a web portal have been published. Before the launch of the legislation, legislation for foreign capital in various sectors has been eased. Along with this, the online portal was introduced to the world and India's most comprehensive initiative started.

**Keyword :** Economic Development in India, Innovation Process in India, “Make in India” Initiative

---

Date of Submission: 20-11-2017

Date of acceptance: 30-11-2017

---

### I. INTRODUCTION

The high rate of growth in the manufacturing sector is an important factor affecting the rapid growth of a country. In this context, the Indian government encouraged the “Make in India” initiative in 2014 with the aim of providing a broad range of support to the industrial development by creating a legislation for the business sector, increasing the ease of doing business and improving the manufacturing infrastructure. In this paper, it examines to explain Make in India initiative. At the same time, it explains the development of "Make in India" program. In the first chapter, there will be discussed the current situation and and it will be included in the government's economic policy. The second part will focus steps taken by the state. The positive and negative aspects of the most basic policies applied will be tried to be explained. Finally, in the third chapter, the effects of these policies and the final status of these steps will be revealed.

### II. CURRENTSITUATION

The Government established Federation of Indian Chambers of Commerce and Industry (FICCI)<sup>1</sup>, Digitize India Platform (DIP)<sup>2</sup> and Invest India agency for the purpose of supporting and facilitating investments to create a business partnership. This agency establishes bilateral relations between the investor and the region where the investments are to be made, thus making the current investments the most efficient. India has risen to 130th in the index for the ease of doing business in the World Bank in 2015, working diligently on the parameters of investors' concerns about doing business in India. In this context, the government has prepared a 98-point action plan for the provinces. the provinces and provinces of the provinces were ranked according to the easiness of accessing to the infrastructure services such as purchasing land for investors, purchasing electricity, obtaining permission and approval from the government and taxing. as well as the fact that the government has mitigated foreign direct investment restrictions in key sectors such as defence, insurance, and rail infrastructure within the scope of Make in India initiative, the country has experienced a substantial increase in its investments and investment proposals, starting in fiscal 2015-16.

In addition, the Government alleviated direct foreign investment restrictions in key sectors such as defence, insurance, and rail infrastructure. As a result, the country started with a big increase in investments and investment proposals starting from the financial year 2015-16. In 2015, 24 out of 30 projects within the scope of Modified Industrial Infrastructure Upgradation Scheme (MIUS)<sup>3</sup> were approved in principle and 6 projects were approved in principle. In the same year, the government extended the scope of customs tax incentives applied to certain products to overcome the difficulties encountered by exporters in product shipments.

---

<sup>1</sup> For more information: <http://ficci.in/about-ficci.asp>

<sup>2</sup> For more information: <https://digitizeindia.gov.in/>

<sup>3</sup> For more information: <http://dipp.nic.in/programmes-and-schemes/infrastructure/industrial-infrastructure-upgradation-scheme-iius>

Merchandise Exports from India Scheme (MEIS)<sup>4</sup>, about 2.228 products have been added to the existing list of textile products, up to about 110 new tariffs to electronic devices. Customs tax incentives are the most important part of the \$ 2.8 billion to \$ 3.3 billion deductibles for MEIS.

Finally, the plan developed to modernize and develop Intellectual Property(IP) offices is aimed at reducing operational costs, ensuring transparency in the operation of the rope offices, and improving human resources at the time of submission.

### III. WHAT IS NEXT FOR MAKE IN INDIA?

Within the scope of the Make in India initiative, the main objective is to focus on creating jobs and developing skills in 25 sectors of the economy. In this context, it is the result of a few steps taken in order to progress in some areas of industrial policy development.

**3.1 Aim for zero import by 2020:** The government aims to establish import-export balance for electronics and IT sectors up to 2020. Under the Modified Special Incentives Scheme (MSIS) initiated by the Government, 12.5 billion dollars of proposals have been collected and examined. According to the plan, electronic producers receive 20-25% of capital from the government.

**3.2 Start-up India:** The Start-up India mission will offer bank financing and incentives for entrepreneurial companies. India has announced the creation of a willingness fund and Atal Innovation Mission(AIM)<sup>5</sup> to encourage entrepreneurial companies. With this plan, it is expected to implement different measures to support government entrepreneurship and to set India as a leader in entrepreneurial companies.

**3.3 Automotive Mission Plan:** The 2016-26 Automotive Mission Plan (AMP) was announced in September 2015 by the Indian Government with Society of Indian Automobile Manufacturers(SIAM), aiming to be among the three largest automotive producers in the country. The Union of Manufacturers (SIAM) and the government of India announced in September 2015. The plan suggests that the Indian automotive industry's volume should rise to 260-300 billion dollars by 2026. AMP intends to make the Indian automotive industry the locomotive of the "Make in India" initiative. In the context of this project, the German automotive industry has been carrying out very serious work. The giants of the automotive sector, BMW, Mercedes, Audi etc., are currently producing replacement spare parts in India. The same firms in the preliminary period are aiming to establish production in India for Asia. The government, however, is encouraging Tata, Maruti, and Mahindra in the current regime to make innovation and import vehicles. As a matter of fact, it is known that Maruti collaborated with Japan and Mahindra started to make serious efforts in this region by adding the biggest tractor company of Turkey for tractor and agricultural production in Turkey.

**3.4 Industry Status for Jewellery:** India has the leading position in global jewellery sales with 29% share in the world. The sector makes the most contribution to the exports of commodities, with a share of 6-7% in the economy, i.e. 13% of petroleum products. In the period between September-April 2015, the export volume of the jewellery sector was 19.2 billion dollars. India, the world leader in diamond cutting and polishing, has provided technological advances in diamond cutting. Moreover, India is one of the countries producing the lowest cost in the area of polished jewellery.

### IV. EFFECTS

Make in India and other initiatives are expected to contribute an average annual rate of 8.8% over the 2017-27 period. In this context, "Make in India" is estimated to increase the share of the manufacturing sector in the economy from 16% to 25% by 2022. The initiative is expected to revitalize the production sector and bring the sector to a self-sustaining position. The sector grew at an average annual rate of 5.77 percent in the period between 2011-15. Make in India sector may be expected to grow at an annual rate of 12-14%. In addition, the Make in India entrepreneur is expected to create employment opportunities for about 100 million people by 2022.

27.497 of them have been completed by 50.442 projects. In the last few months, new project proposals are being considered. In line with initiatives undertaken by the Office of the Prime Minister, in the last quarter of the fiscal year 2013-14 of the value of 6 projects, the dealership in the economy of the country fell to 7.6% from the peak of 8.5% in the last quarter of the fiscal year 2015-16. The government, which is aware of this situation, is planning to develop bilateral relations with Japan, Israel, and Sweden and to make significant investments in attracting investments. Within this plan, visions for cooperation with Turkey, Russia, and South Africa are continuing.

In the 2015-16 financial year, foreign direct investment flows to the nation totalled \$ 40 billion, 29% higher than the previous year's \$ 30.9 billion level. In the first half of the financial year 2016-17, this investment

<sup>4</sup> For more information: <https://www.eepcindia.org/MEIS/about-MEIS-scheme.aspx>

<sup>5</sup> For more Information: <http://niti.gov.in/content/atal-innovation-mission-aim>

was realized as 21.6 billion. As a result of the new agreements, this amount is expected to be 43 billion dollars. As a result, India ranks 16th in the ranking of the World Economic Forum Competition report in fiscal 2015-16. It is also mentioned as the second fastest growing country by the IMF.

## V. LATEST STATUS IN THE SECTORS IN MAKE IN INDIA

**5.1 Automotive Sector:** The Indian Automotive Sector has a share of 7% in GDP. In addition, this sector is expected to be located in the tip of the country in 2017 with a turnover of \$ 145 billion. The government allows 100% direct foreign investment in the sector through automatic approval.<sup>6</sup> The 2026 automotive Mission Plan predicts that the Indian automotive sector will grow to 260-300 billion dollars by 2026. In addition, the government has prepared the 2020 National Electric Mobility Mission (NMEM) to support the use of electric and hybrid vehicles and to promote them in India.

**5.2 Aviation Sector:** India's aviation market is worth \$ 16 billion on the 9th. It may become the third largest market in the world by 2020. Within the scope of automatic approval, approximately 100% foreign direct investment is allowed in the airport projects to be built. In this context, India has caught up with 16% of the previous year. With the arrival of cheap air routes, the sector is expected to grow by showing a decisive leap. By specializing in airports and navigation systems, special emphasis is given to infrastructure development. In addition, the government is taking additional steps to make India the centre of Asia's Maintenance, Repair and Overhaul (MRO).

**5.3 IT and Electronics:** IT sector accounts for 8.1% of India's GDP, contributing about 115-120 billion dollars in the economy. This sector is the largest private sector employer in India and employs 3.1 million people. The value of Electronics System Design & Manufacturing (ESDM) Sector is estimated to be 90-95 dollars. Since the implementation of the Make in India initiative, the Government has received offers of 1.716 billion dollars from various companies. A large part of these offers come from the Israeli and Japanese markets.

The Digital India Initiative is aimed at digitizing basic government services and offering them over the internet. In this context, this sector aims to benefit from various opportunities. The government is planning to install the semiconductors factories in the country. In this segment, two different plants are expected to open in Gujarat and Uttar Pradesh. In addition, the government will invest \$ 10 billion for the production of computer jeeps. In addition, India will invest 400 million dollars to develop microprocessors. To support entrepreneurial businesses in the field, a special Electronic Innovation Fund was created to support the use of venture capital funds.

**5.4 Chemicals and Oil:** The chemical sector had a 2.1% share of the GDP of the country with an estimated income of about \$ 144 billion. India is the largest foreign chemical producer in Asia, and the sixth largest in the world.

**5.5 Textile Products:** India is the second largest country in the world in textile products. The sector contributes 14% to the country's industrial production and contributes 4% to the GDP. The sector is expected to reach \$ 141 billion by 2021.

**5.6 Construction:** Construction activities contribute more than 10% to India's GDP. With \$ 126 billion in savings, it works with 35 million people. The sector is the second-largest foreign direct investment sector in the country at the second level. For this reason, the government has once again relieved some of the direct foreign investment restrictions for investors. In this context, the Turkish government has important steps. The visit of the Turkish President RecepTayyip Erdogan to India is of great importance.

There are 19 million units of housing in India. It is estimated that there are 48 million units in India's rural areas. The Indian government launched "housing for everyone" until 2022 for all Indian descent. Significant opportunities for investors were born. The same project started in Turkey in 2004. The TOKI<sup>7</sup> project launched in Turkey is being discussed as a role model for India in this context.

**5.7 Food Industry:** India's food industry, each area (imports, exports, and utilities) is on the 5th place in the world. In addition, the Public-Private Partnerships (PPP)<sup>8</sup> model with an investment of \$ 1.5 billion and a 42 mega gardens park were established. India's strategic geographical location and proximity to the importer of food make it an appropriate choice for the export of processed food. India is generally the largest meat combine centre in the world, the second largest wheat and rice producer. Thus, the food processing sector offers attractive opportunities for investors. Also, consumers have the opportunity to buy high-protein, low-fat and organic foods.

<sup>6</sup><http://www.indianeconomy.net/splclassroom/182/what-is-automatic-route-and-approval-route-in-fdi/>

<sup>7</sup> For more information: <http://www.toki.gov.tr/en/>

<sup>8</sup> For more information: <https://www.pppinindia.gov.in/>

## VI. CONCLUSION

The Make in India program, launched under the VigyanBhavan, was launched on 29 December 2014 in various industrial fields as a result of workshops by the industrial policy and development department, attended by cabinet ministers and government heads. This campaign was designed by Wieden Kennedy. Throughout the venture, 25 brochures and a web portal have been published<sup>9</sup> Before the launch of the legislation, legislation for foreign capital in various sectors has been eased. Along with this, the online portal was introduced to the world and India's most comprehensive initiative started.

The program started in less than 4 years, but the effect on the world created a big impact. Often, the government has made every effort to provide investors with a "zero defect-zero impact" policy, which has attracted considerable interest from foreign investors. As a matter of fact, Sweden is targeted to enter the country market with very serious investments in the last period. It is this initiative and politics that it will lead the program in a decade of innovation over the past 10 years and will ultimately lead the nation in a serious way. It is unavoidable for India to enter the top 5 of the world's economies after 2026, which I have noticed with numbers in the previous.

In addition to these, there are negative sides of the system, too. As far as is known, India was a nation given its economy through an old system of ages. The best example of this would be TATA. It can be said that Tata's long-term effort to prevent foreign investment has seriously damaged the nation's economy, of course. It could not see a branded car on the streets for another 5-6 years. As a matter of fact, in some fields, it has still set a goal to play a role of monopoly in production and it is in serious conflict with the government. Of course, this is only an example in this aging system coming from the late. The presence of such a large number of such companies has led to India's long-lived global market opening and serious backwardness in world politics. As a matter of fact, the conflict situation with Pakistan led to a completely closed policy. It is expected that in the following years, this dissolution will cease altogether and India will take a serious role in world politics.

Secondly, in the last period, there have been many articles which make very serious comparisons between Modi and Erdogan. Erdogan is a traditional and bureaucratic leader who comes from the right side of the world. From 2004 when he was the prime minister in 2004, the government has filled in the various institutions such as associations, communities and so on. This situation, in general, led to the observation of other people's policies against the country. In fact, they are not satisfied with these groups and some of them are starting to declare their insults in the open media. As soon as FetullahGulen's coup attempt, which stood close to the governor of these countries, came out of the country altogether. In point of fact, Turkey still struggles to clean up the scum from this coup attempt. Indeed, even in the presence of the legislators, there may be a lot of thesis and analysis in the past 100 years. What I'm trying to do is; recently, Modi also seem to bring various levels of people and groups close to him in the state. We can accept that new decisions and ethnic and religious government policies are in common with Erdogan's steps taken since the beginning of the government. As a matter of fact, the president's recent announcement of the Uttar Pradesh elections to Muslims shows that this situation will increase in the future.<sup>10</sup> These are, of course, hypotheticals and only 1-2 examples of this topic. But the number of these living examples is more than 100, just as we have read them.

Finally, if India wants to play an active role in the global politics of global politics, domestic politics must be settled in a very good way. Otherwise, confidence in the default domestic politics will seriously mean that investments will be temporary. And in fact, this is also covered by the Make in India program; to invest in the first 25 years, then specialize in every sense to become the largest producer and innovation country of the world. As a matter of fact, the slogan "Make in India to Made in India" has already begun in the field of defence industry. So what it means really is that if India is trying to have power with such a big program on the field, government needs to be very transparent in your bilateral relations. But as far as we have seen in the last two years, governments are having problems communicating with the states where India has problems in the past and sharing this initiative. Indeed, Turkey the simplest example of this. At Erdogan's arrival in Delhi, the flags of Armenia and the Republic of South Cyrus are the most open example of propaganda and propaganda on every street. When Erdogan came to India, the government was determined to take important steps. The second is the biggest example of the relations with China. As a matter of fact, the same problem happened in the interviews with China. Also, the news was reported twice in the European press, which is brittle in communication with Ukraine.

Nonetheless, this initiative remains the largest state initiative that can be observed in the world. We will continue to observe this initiative in the forthcoming years, and we will all witness together, as it seems, how the country will enter a process of progress and become a serious power on the global scale.

---

<sup>9</sup><http://www.makeinindia.com>

<sup>10</sup><http://www.aljazeera.com/news/2017/03/modi-bjp-picks-firebrand-head-india-uttar-pradesh-170318185051135.html> (last access: 19/10/2017)

## REFERENCES

### Articles

- [1]. VichwanathanArun, **Indian Defence Research and Development: Transitioning from “Make in India to “Made in India”**,Center for Joint Warfare Studies(CENJOWS), 2007, New Delhi
- [2]. Mohan, Rahul Raja, G Karthick, **Make in India: Challenges and Opportunities**, IIMB, 2014, Bangalore
- [3]. Ram Kidambi, Manish Mathur, BalajeRajan, **Make in India: How Manufacturing in India Can Become Globally Competitive**,Atkearney, 2015, Mumbai

### Websites

- [1]. [www.makeinindia.com](http://www.makeinindia.com)
- [2]. <http://www.aljazeera.com/news/2017/03/modi-bjp-picks-firebrand-head-india-uttar-pradesh-170318185051135.html>
- [3]. <https://www.pppinindia.gov.in/>
- [4]. <http://www.toki.gov.tr/en/>
- [5]. <http://www.indianeconomy.net/splclassroom/182/what-is-automatic-route-and-approval-route-in-fdi/>
- [6]. <http://niti.gov.in/content/atal-innovation-mission-aim>
- [7]. <https://www.eepcindia.org/MEIS/about-MEIS-scheme.aspx>
- [8]. <http://dipp.nic.in/programmes-and-schemes/infrastructure/industrial-infrastructure-upgradation-scheme-iuis>
- [9]. <https://digitizeindia.gov.in/>
- [10]. <http://ficci.in/about-ficci.asp>
- [11]. <https://www.pppinindia.gov.in/>
- [12]. <http://www.narendramodi.in/pm-launches-make-in-india-global-initiative-6644>
- [13]. <http://www.livemint.com/Opinion/9mStgQIPps5XhesgGtExyJ/Make-in-India-the-smartphone-challenge.html>
- [14]. [http://www.business-standard.com/article/economy-policy/make-in-india-the-story-so-far-116021200338\\_1.html](http://www.business-standard.com/article/economy-policy/make-in-india-the-story-so-far-116021200338_1.html)
- [15]. <http://www.livemint.com/Politics/xaNsPPwllWVOR9k3MJBQKJ/Is-Make-in-India-beginning-to-bear-fruit.html>

IOSR Journal Of Humanities And Social Science (IOSR-JHSS) is UGC approved Journal with Sl. No. 5070, Journal no. 49323.

FerhatCagri Aras Process of “Make in India” Initiative Program.” IOSR Journal Of Humanities And Social Science (IOSR-JHSS), vol. 22, no. 11, 2017, pp. 22-26.