ISSN 2278-8808 SJIF 2015: 5.403
An International Peer Reviewed & Referred
SCHOLARLY RESEARCH JOURNAL
FOR INTERDISCIPLINARY STUDIES

MAKE IN INDIA: POLICY INITIATIVES & CHALLENGES

Harsh Gandhar, Ph. D

Faculty of Economics, USOL, P.U., CHD

INTRODUCTION

Indian economy has witnessed a transformational change from an agrarian economy to service sector dominated economy; and it has emerged as one of the fastest growing economies of the world. After achieving unprecedented growth of over 9 percent during 2003-04 to 2007-08, and recovering fast from the global financial crises of 2008-09, Indian economy faced difficult time- Gross Domestic Product at Factor Cost growing at less than 5 percent during 2012-13 and 2013-14, persistent uncertainty in the global outlook caused by global slowdown and further compounded by structural constraints and inflationary pressures in the domestic arena. The revival of growth in 2013-14 and further vigour in 2014-15 has made India emerge among few large economies with propitious outlook. The industrial production which slowed down in 2011-12, also reversed the trend in 2014-15. A number of macro-level and sectoral initiatives undertaken to improve industrial growth are expected to yield results over time. The Make in India program is one major initiative, which was launched as a major national program on 25 September 2014, with an aim to give the Indian economy global recognition to revive an ailing manufacturing sector and transform India into a global manufacturing hub. Presently, India accounts for 1.8 percent of the world manufacturing output.This programme also aims at improving the country's business environment and perception among overseas investors which include a series of activities to improve and accelerate decision making, reduce regulatory compliance, reduce cost of doing business and attaining higher rankings in business environment in the world. This paper is an attempt to study the need for Make in India project; recent policy initiatives taken under it; and the barriers in the way of its success. The present paper is organized into following sections:

Section-I presents the relevance and appropriateness of Make in India program.

Section-II highlights major policy initiatives of Make in India program.

Section -III discusses the present challenges in the efficient implementation of the campaign.

Section-IV concludes with suggestions for policy-makers.

NEED & SIGNIFICANCE OF THE STUDY

"Make in India" ,a very ambitious program of the Government, has the potential of reviving of the economy in years to come. While the proposed benefits from the project are huge, the conditions facilitating the implementation of the project are not very promising. Therefore, the major objective of the present paper is to trace the contribution of industry in national income & employment; and to identify the policy initiatives undertaken for the success of this ambitious project along with the existing challenges which inhibits the business environment that facilitates this mission.

METHOD OF DATA COLLECTION

The proposed study mainly is descriptive in nature. It is solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and web-sites are used in this study.

SECTION- I

MAKE IN INDIA: RATIONALE AND APPROPRIATENESS

Indian economy, basically an agricultural economy, traversed a long journey to become one of the ten fastest growing economies of the world. Following the theory of development, it has jumped from the First stage of agriculture-led development path to Third stage of service-dominated development, bypassing the Second stage of industrial development, which is tremendously very important to sustain the high growth rate in the times of globalization. Hence, it is in order to focus on the contribution of industrial sector in national income, growth of industrial sector and its share in employment.

Since the beginning of economic planning in 1951,as shown in Table 1, the industrial sector and manufacturing sector picked up well and experienced high growth during the phase 1951-66,which is also called High Growth Phase. The growth momentum slowed down in the second phase spanning 1966-76. Due to two wars in 1965 & 1971 and oil shock of 1971, there was decline in public investment and there were infrastructural bottlenecks. Accordingly the industrial and manufacturing growth slowed down. The third phase (1976-91),known as phase of recovery, witnessed improvements in administrative procedures, implementation mechanism, opening up of external sector etc. Consequently manufacturing growth resumed its upward trend from mid-seventies onwards & reached all time high quinquennial average of 8.2 percent in 1986-91. Moreover the Industrial Policy Resolutions of 1978 & 1980 were less rigid in nature.

Table 1 Growth of Industrial & Manufacturing Sectors

Phases	Five Year Plans	Industry	Manufacturing
I Phase (1951-66) High Growth	I	7.3	5.9
	II	6.6	6.3
	III	9.0	6.6
II Phase (1966-76) Industrial Stagnation	IV	4.7	3.4
	V	5.9	3.3
III Phase (1976-91) Recovery	VI	5.9	4.9
	VII	8.5	7.0
	VIII	7.4	8.2

Source: Uma Kapila, Indian Economy: performance &policies, 2014

With the IPR 1991 aimed at Liberalization, Privatization and Globalization began the fourth phase: moderation in protection rates and gradual removal of quantitative restrictions. There was slow progress initially but industrial recovery took place after 1998. It was followed by slow-down in 2000-01 due to internal bottlenecks like high rate of interest rate, infrastructure shortages, lack of land & labour reforms, inherent lags of industrial restructuring, and external factors like attack on world trade centre and its ensuing effects. It picked up soon and high growth was experienced during2004-08. Overall, as depicted in Table2, the industrial sector and manufacturing factor experienced high growth of 7.8 percent and 8.3 percent on areage respectively during 19993-2004 and 9.3 percent and 10.2 percent respectively during 2004-05 to 2011-12.The global slow-down in post- 2008 did impact the growth of industry and manufacturing, but recovered in 2011.

Table 2 Average Annual Growth Rate of Industrial Production

Years	1981-82	1993-94 to 2009-10	1993-94 to 2004-05	2004-05 to 2011-12
General Index	7.8	7.2	7.8	9.3
Manufacturing	7.6	7.7	8.3	10.2

Source: GOI, Economic Survey, various issues

The growth trajectory of industry including manufacturing brought improvement in its contribution towards Gross Domestic Product as depicted in Table 3a and Table 3b that the share of industry in national income has increased from 15 percent in 1950-51 to 27 percent in 2011-12 (at 2004-05 series), and further to 29.7 percent in recent year of 2014-15 (at 2011-12 series), but services sector has grown faster.

Table 3a Share in GDP at Factor Cost at Current Prices

Sectors/Years	2004-05 series				
	1950-51	1980-81	1990-91	2008-09	2011-12
Agriculture & allied activities	55.4	38.0	81.4	16.9	14.2
Industry	15.0	24.0	25.9	25.8	27
Services	29.6	38.0	42.7	57.3	59

Source: GOI, Economic Survey, various issues

Table 3b Share in GVA at Factor Cost at Current Prices

Sectors/Years	2011-12 series			
	2011-12	2012-13	2013-14	2014-15
Agriculture & allied activities	18.9	18.7	18.6	17.6
Industry	32.9	31.7	30.5	29.7
Services	48.2	49.6	50.9	52.7

Source: GOI, Economic Survey, 2014-15.

Moreover, the share of industry in employment has not commensurated with its growth, as shown in Table 4 i.e. the share of industry in total employment is 27pc as against 59 pc of the services sector. There is need to focus on MSME sector for its employment intensive naure in order to deal with large size of unemployment in the country and high dependence on agriculture(48.9pc). Moreover there is need to improve skills of potential workers.

Table 4 Share in Employment: Occupational Distribution

Sectors/Decades	1950-51	1990-91	2011-12
Agriculture	72.1	66.9	48.9
Industry	10.6	12.7	24.4
Services	17.3	20.4	26.7

Source: GOI, Economic Survey, various issues

Having observed the contribution of industry and manufacturing in national income and employment it is important to see our global positioning in this regard .

MANUFACTURING SECTOR IN INDIA : SCORE CARD

The performance of manufacturing sector in India is presented below in Table 5, which depicts that:

- First, Indian manufacturing has by and large grown in-tune with overall economy growth rate over the past 20 years. The share of India in the global manufacturing has grown from 0.9 in 1993 to 2.0 percent in 2009, while Indian share of GDP has grown from 1.2 to 2.2 percent during 1993-2009. China's share in global manufacturing has risen. from 3.1 to 17.3 percent and regarding GDP from 2.3 to 6.8 percent over the same period. The manufacturing shares of the United States and Japan in global manufacturing and global GDP have significantly declined during 1993-2009..

- Second, the Indian manufacturing's share in global manufacturing GDP has declined from 2.2 to 2.0 percent between 2009 and 2013, despite increase in India's share of global GDP from 2.2 to 2.5 percent over the same period. Whereas China's share in global manufacturing has risen by more than six percentage points (i.e. from 17.3 to 24.1 percent) over the same period. The manufacturing shares of the United States and Japan in global manufacturing have significantly declined during 2009-2013.

Table-5 India's Position in Global Manufacturing GDP and Export

Shares	Countries	1993	2009	2013
Share of global GDP (%)	India	1.2	2.2	2.5
	China	2.3	6.8	8.5
	United States	26.5	25.5	24.9
	Japan	12.2	8.5	8.2
Share of global manufacturing GDP (%)	India	0.9	2.2	2.0
	China	3.1	17.3	24.1
	United States	24.4	19.2	17.8
	Japan	20.2	9.6	7.3
Share of global merchandising exports (%)	India	0.5	1.3	1.7
	China	2.4	9.7	11.5
	United States	12.5	8.6	8.6
	Japan	9.5	4.7	4.5

Source: World Bank

- In case of export sector which is one of the vital indicator of success for any manufacturing nation,. India has improved its performance. The share of India in global merchandise exports has increased from 0.5 to 1.7 percent over the past twenty years. Nonetheless, this increase is modest as compared to China's performance, where manufacturing exports have increased from 2.4 to 11.5 percent of global exports.

ROLE OF SERVICES AS PUSH TO MANUFACTURING SECTOR

Growth of industries & services sectors is inter-dependent. We cannot focus on industry at the cost of services sector. It has been observed that India's growth has been fuelled up due to service sector. India's dynamic services sector has grown rapidly in the last decade with almost 72.4 per cent of the growth in India's GDP in 2014-15 coming from this sector. Unlike other developing economies, the Indian growth story has been led by services-sector growth which is now in double digits. So in the 'Make in India' program, services sectors are very essential part to boost the manufacturing innovations. Indian Economy is full of pool of talent in IT/ITES industry and has contributed more than 56 percent in economic development. It, not only proved in India but taken the workload of developed nations and helping them in intellectual marathon. India has emerged as the world leader in giving IT/ITES support to various Multinational Corporations. During the global economic crisis, the services sector's share in real GDP increased from 63 percent in 2007–08 to 64.5 percent in 2008–09, while that of the agricultural and industrial sectors decreased. The services sector experienced the smallest decline in growth rate compared to the other two sectors. The growth rate of the services sector fell from 10.8 percent in 2007–08 to 9.3 percent in 2008–09, a decline of 1.5 percentage points, compared to declines of 3.3 and 4.7 percentage points in the agricultural and industrial sectors, respectively.

SKILL GAPS IN INDIA

Skill gap refers to a mismatch between the demand and supply side of the workforce in the market. The various ministries have failed to achieve their skilling targets as depicted in Table 6. As evident from the Table-6 that Ministries like Labor and Employment and Textiles have not achieved even half of their annual target. Furthermore, all of the stakeholders have cumulatively achieved a meager 53 percent of the overall target in the year 2012-13.

. The Government and its several other partner agencies have been implementing various skill development initiatives to cater to the requirements of various sectors of the economy. Some of the key initiatives are National Skill Development Policy (2009), Modular Employable Skills (MES), Up-gradation of Government ITIs through World Bank, Public Private Partnership and by DGET etc.

Table-6 Gaps in Achievement by various Ministries/ departments and organization

S. No.	Ministry/ Department/ Organization	Target for 2012–13 (in 000)	Achieved till Jan 2013 (in 000)	Gaps in Achievement (in 000)
1	Labour & Employment	2,500	800	1700
2	Micro, Small & Medium Enterprises	600	333	267
3	Agriculture	1184	1000	184
4	Rural Development	800	422	378
5	Deptt. of Higher Education	310	143	167
6	Women & Child Development	150	67	83
7	Housing & Urban Poverty Alleviation	500	242	258
8	Tourism	50	35	15
9	Social Justice & Empowerment	40	28	12
10	Textiles	250	40	210
11	Heavy Industries	20	18	02

12	Department of IT	440	263	177
13	National Skill Development Corporation	400	204	196
14	Chemical & Fertilizers	30	18	12
15	Development of NER	3	0	3
16	Food Processing Industries	10	0	10
17	Road Transport and Highways	100	0	100
18	Tribal Affairs	10	0	10
19	Commerce and Industry	30	9	21
	Total	7243	3806	3437

Source: Ministry of Labour & Employment

. It is quite true that 'Make in India' will not be possible without 'Skill India'. For the manufacturing sector to take advantage of the improved business environment and physical infrastructure, the need for having a strong human capital has been recognized by policy makers

Hence crossing over of Indian economy from 1st stage of development to 3rd stage of development and its relative positioning at global level highlights the need for pushing up the manufacturing and industrial sector with focused efforts. Hence, there is a need for targeted program of Make in India, which aimed at resolving all issues facing the sector in short-period coupled with the program focusing on growth of services sector also i.e. "Skill India" & "Digital India". Moreover, there are certain key barriers which account for India's low level of industrial and manufacturing such as No ease of doing business; Inadequate Infrastructure; Investment Regulations and Inflexible labour laws etc. Thus, in the following section, we are going to discuss the major policy initiatives undertaken under the ***"Make in India"*** project, in order to remove the barriers and promote India as a manufacturing destination.

SECTION-II

Make in India: Policy Initiatives for Turning Ambition into Reality

The ***'Make in India'*** campaign aims to *facilitate investment, foster innovation, enhance skill development, protect intellectual property, and build best-in-class manufacturing infrastructure in India.* The initiative seeks to woo domestic and foreign investors by promising a business environment conducive to them. In the PM's words, India will offer a ***red carpet*** to an investor instead of the hitherto ***red tape*** that they faced. The central government, various state governments, business chambers and overseas Indian Missions, all are expected to play a key role in the successful operation of this initiative. The logo of

'Make in India' –with key phrases of "Zero Defects; Zero Effect has *a lion made of gear wheels* – which reflects the government's vision for national development and 4 major priorities i.e. *four pillars* namely (i) New Processes, (ii) New Infrastructure, (iii) New Sectors and (iv) New Mindset.

The country's official agency for investment promotion and facilitation, has been named ***Invest India*** which is the initial reference point for *guiding foreign investors on all aspects of regulatory and policy issues and would also help them in obtaining regulatory clearances*. The Government closely overhauls regulatory processes in order to make them simple and reduce the burden of compliance on investors. A web portal (www.makeinindia.com) has been created to answer investor queries. Additionally, the portal has back-end support team, to answer specific queries within a period of 72 hours, use of analytics to track visitors' location, interests, etc. and the user experience will be customised for the visitor based on the information collected. An investor facilitation cell provides assistance to the foreign investors from the time of their arrival in the country to the time of their departure. The initiative also seeks to actively target top companies across key sectors in identified countries to encourage them to invest in India.

Domestically, the '***Make in India'*** initiative aims to *identify domestic companies having leadership in innovation and new technology for turning them into global players*. The focus is on promoting green and advanced manufacturing and helping these companies to become an important part of the global value chain. The Government has identified 25 key sectors in which Indian industries have the potential to compete with the best in the world. These sectors are automobiles, aviation, chemicals, IT, leather, pharmaceuticals, ports, textiles, tourism and hospitality, wellness and railways among others will provide details of growth drivers, investment opportunities, FDI and other policies specific to that sector and details of relevant agencies.

The major initiatives undertaken in the project and the progress on these fronts are presented below:

1. Ease of Doing Business: India ranked 142nd in the Ease of Doing Business Index ranking in 2014, down from 140th in 2013. The ranking is significant as it reflects the perceptions of the global business community about India's attractiveness as a place for doing business.

- Reforms related to starting of a business, obtaining construction permits, property registration, getting power supply, paying taxes, enforcing contracts, and resolving insolvency.

- Reforms in the licensing process, time bound clearances for applications of foreign investors, automation of processes for registration with the Employees Provident Fund Organization and Employees State Insurance Corporation, reducing the number of documents for exports, adoption of best practices by states in granting clearances and ensuring compliance through peer evaluation, self-certification, etc
- Setting-up of E-Biz Portal [The Government to Business (G2B)] to serve as a one-stop shop for delivery of services to investors and to address the needs of business from inception through to the entire life cycle of the business. The process of applying for industrial licence (IL) and industrial entrepreneur memorandum (IEM) is now available on a 24x7 basis at the E-Biz website. Other services of the central government are also being integrated with the portal.
- Environmental Clearances: Online applications for environment, coastal regulation zone (CRZ), and forest clearances; and decentralized decision-making process for clearances. The requirement for environment clearance has been done away with for projects such as construction of industrial sheds which house plant and machinery, educational institutions and hostels.

2. Physical Infrastructure: The government is seeking to improve the physical infrastructure in the country primarily through the PPP mode of investment. There has been increased investment in ports and airports. The development of dedicated freight corridors is being done and these corridors are expected to house industrial clusters and smart cities.

3. Regulations on Investment: An investor-friendly FDI policy has been put in place, whereby the government has liberalized FDI policy; and the major reforms are:

- 100 percent FDI under automatic route has been allowed in construction, operation and maintenance of specified rail infrastructure projects.
- FDI cap in Defence has been raised from 26 percent to 49 percent.
- The norms for FDI in the construction development sector are being eased.

4. Reforms in Labour-sector: Multiple overlapping and inflexible labour laws have been an impediment for the success of the campaign and the government has initiated a set of labour reform measures such as:

- A Shram Suvidha portal for online registration of units, filing of self-certified online return by units, computerised labour inspection scheme, online uploading of inspection reports within seventy-two hours and timely redressal of grievances.

- A Universal Account Number to ensure portability of Provident Fund accounts for employees.
- Amendment in the Apprentices Act (1961), so as provide flexibility in working hours and increased intake of apprentices for on the job training.
- An Apprentice Protsahan Yojana for the Micro, Small and Medium Enterprises (MSME) sector: The 3.61 crore (MSMEs), contributing 37.5 per cent of the country's GDP, have a critical role in boosting industrial growth and ensuring the success of the Make in India program. A number of schemes are being implemented for the establishment of new MSMEs and growth and development of existing ones. These include: (a) the Prime Minister's Employment Generation Programme, (b) Micro and Small Enterprises Cluster Development Program, (c) Credit Guarantee Fund Scheme for Micro and Small Enterprises, (d) Performance and Credit Rating Scheme, (e) Assistance to Training Institutions, and (f) Scheme of Fund for Regeneration of Traditional Industries.

5. Manufacturing Sector: Policy & Initiatives

Today, among all the stakeholders, Government is the largest stakeholder in Indian manufacturing sector through its policies and regulations. The Indian government comes up with the National Manufacturing Policy on October 25, 2011 with the following initiatives:

- To aim at increasing manufacturing sector growth to 12 to 14 percent with a view to make it an engine of growth for the economy and to enable the manufacturing to contribute at least 25percent of the National GDP by 2022.
- To create 100 million additional jobs in the manufacturing sector by 2022.
- To provide appropriate skills among the rural migrant and urban poor in order to make growth inclusive.
- To increase domestic value addition and technological innovation in manufacturing.
- To enhance global competitiveness of Indian manufacturing through appropriate policy support.
- To ensure sustainable growth, with regard to the environment through energy efficiency, optimal utilization of natural resources and restoration of damaged/ degraded eco-systems.

The following initiatives are contemplated for the purpose:

•**Employment intensive industries:** Provision of adequate support for promotion and strengthening of employment intensive industries like textiles and garments; leather and footwear; gems and jewellery; and food processing industries etc. for ensuring more job opportunities.

•**Capital Goods:** A special focus to capital goods industry namely machine tools; heavy electrical equipments; heavy transport, earth moving and mining equipments to match the desired (robust) economic growth.

•**Industries with strategic significance:** As a strategic requirement of building up the strong national capabilities so as to make India a major force in sectors like aerospace; shipping; IT hardware and electronics; telecommunication equipment; defence equipment; and solar energy. A mission mode projects would be conceptualized in each of these sectors for their overall improvement.

•**Industries where India enjoys a competitive advantage:** India's large domestic market coupled with a strong engineering base has created indigenous expertise and cost effective manufacturing in automobiles; pharmaceuticals; and medical equipment. Under the policy, the focus would be on framing a special program by the concerned ministries in order to consolidate strong industry base and to retain the global leadership position.

•**Small and Medium Enterprises (SME):** The SME sector contributes about 45 percent to the manufacturing output, 40 percent of the total exports, and offers employment opportunities both for self-employment and jobs, across diverse geographies. Thus, under the policy a healthy rate of growth would be ensured for the overall growth of the manufacturing sector in areas like manufacturing management, including accelerated adoption of Information technology; skill development; access to capital; marketing; procedural simplification and governance reform.

•**Public Sector Enterprises:** Public Sector Undertakings, especially those in Defence and Energy sectors, continue to play a major role in the growth of manufacturing as well as of the national economy. A suitable policy framework is expected to be formulated in this regard to make PSUs competitive while ensuring functional autonomy.

SECTION- III

CHALLENGES FACING MAKE IN INDIA

1) Labour Regulations: India has among the strictest labour regulations in the world. About four dozen central laws and hundreds of state laws govern labour issues, hence rendering the reforms a complex process. Labour regulation not only stands out because of its complexity or stringency but also because it links so directly to job creation. Excess labour regulation is perhaps the one which has the largest body of evidence establishing causality. Labour regulation needs to be made flexible because the unified and powerful political forces may not like to address this complicated area. Many compromises are required to make which may incite heavy opposition.

2) Inaccurate Land Records: Land records in India are inaccurate, out-dated, and incompatible with modern times. Like inadequate infrastructure, inaccurate land records pose great hindrance and impact every layer of society. The Land Acquisition, Rehabilitation and Resettlement Act of 2013 attempted to address these issues, but much could not be achieved.

3) Low Capital Labour ratio: This added advantage has fetched market share enjoy for India. The large amount of capital investment in East Asia contributed mainly in development of manufacturing. Thus, the low capital-labour ratio needs to be addressed systematically.

4) Supply Chains: Another advantage for established exporters is global supply chains, though the arguments run in both directions. On one hand, some argue today's exporters are already well integrated in a way that makes new entry difficult. On the other hand, global supply chains make manufacturers more nimble, able to shift operations quickly to the next market to offer rock-bottom wages. Hence, in the absence of rapid development of infrastructure and skills, manufacturing will prove fickle and fleeting.

5) Expanding Service Sector: Raguram Rajan and Arvind Subramanian expressed their concerns way back in 2006 that wages for skilled workers have been driven too high. Nicknaming the phenomenon the "Bangalore Bug," they argued manufacturers cannot compete in low-skill industries with razor-thin margins if they must pay high wages for their senior employees. Truly, the manufacturing may no longer be the global growth engine it once was. Services have been growing, not just as a share of global GDP, but also as a share of trade. There is concern that the success of the service sector will impede the competitiveness of manufacturing.

6) Lack of skilled manpower. India adds 12 million people to its workforce every year, less than 4 percent have ever received any formal training. Our workforce readiness is one of the lowest in the world and a large chunk of existing training infrastructure is irrelevant to industry needs. For any skill development effort to succeed, markets and industry need to play a large role in determining courses, curriculum and relevance. For this, employers and the government, both need to act together. The willingness to act, and the readiness to take difficult decisions can help in realization of the 'Skill India' dream.

7) High Drop-out and Unemployment of Educated workforce: Education and vocational training are the important contributors to overall skill capital pool of an economy. As education provides a base in the form of ability in literacy, numeracy and cognitive abilities and vocational training equips an individual with specific skills**.** But in India inadequate teacher training, teacher absenteeism etc. contribute to poor quality of education thus resulting in high dropout rates.

Further, India has projected to contribute 27 percent of the global growth in tertiary-educated workers between 2010 and 2030—but quality remains a big problem. Graduates of Indian engineering and computer sciences colleges still need to be trained extensively to make them job-ready. This is a clear indication of some of the challenges facing higher education in India.

Today, just about 10 percent of the Indian labour force has received some type of formal or informal vocational training. This compared with over 95 percent in South Korea, 80 percent in Japan, 75 percent in Germany, and about 68 percent in the United Kingdom offers a gloomy picture. In a McKinsey survey, 53percent of employers in India complained that lack of skills was a leading reason for entry-level vacancies. India has the capacity to train about 20 percent of new workers entering the labour force each year. However, if current trends persist, the country is likely to have 30 million to 35 million more low-skill workers than employers will demand in 2020.

8) Challenges facing Power Sector: According to McKinsey and Company, 30 percent import share in fuel demand; 24 percent electricity lost in transmission and distribution and 300 million people lack electricity. A complex system of subsidies and price controls has restricted investment, particularly in resources like coal and natural gas. Delay in environmental clearances and shortage of fuel supply are some of the major challenges faced by the Indian power sector. There is an acute demand for more and more reliable power supplies. It is surprising to note that one-third of the population is not connected to any grid.

SECTION- IV

CONCLUSION & SUGGESSTIONS

In-nutshell, the major challenges in front of India are either to create the conditions to ensure that its existing unlimited supplies of unskilled labor are utilizable or, it can make sure that the currently inelastic supply of skilled labor is made more elastic. Today, “Make in India” and “Skilling India” both occupied a prominent place in Indian economic agenda. Thus the future trajectory of Indian economic development could depend on the efficient integration of both and in order to convert its dream projects into reality, the Government and Policy-makers need to focus on the following aspects:

- Reducing administrative burdens for firms by cutting red tape, improving online processing options, lessening points of contact through single-clearance windows, and winnowing of out-dated regulation so that ease of doing business in India could be improved .

- Overcoming Land acquisition challenges and coordinating state and central policies for the same.
- Sstimulating the effective demand for industrial goods and to sustain industrial production in the long run which will boost the whole economy.
- New policies for up-gradation of existing technologies and innovations in future technologies.
- Labour reforms so as to provide social security benefits to labourer and boost employment .
- Improving the employability of general and engineering graduates through skill development.
- Strengthening of skill building mechanism as per the needs of the industrial sectors so that the mismatch problem does not exist.
- Infrastructure development of major roads and highways, ports, airports etc in the country.
- Capacity addition in the power sector to meet industrial energy demand.

Indian economy from has bypassed 2nd stage of development , moreover its unfavourable relative positioning at global level and skill gaps highlight the need for pushing up the manufacturing and industrial sector with focused efforts. Hence, the appropriateness of targeted program of Make in India, which aims at resolving all issues facing the sector in short-period such as No ease of doing business; Inadequate Infrastructure; Investment Regulations and Inflexible labour laws etc. There is strong need to address the challenges in its way and coordination of efforts & initiatives of the Government (Centre and State), various organizations, the private sector.

REFERENCES

Chattopadhyay, A. (2015). For 'Make in India' to Happen, Modi Govt. must move from cheap rhetoric to difficult action. The Economic Times. Retrieved from http://articles.economictimes.indiatimes.com/2015-05-15/news/62192469_1_roadinfrastructure-modi-government-india.

Deloitte. (2015). Make in India: opportunities and challenges. Retrieved from https://www.mof.go.jp/pri/international_exchange/kouryu/fy2014/ncaer201502-9.pdf

Federation of Indian Chamber of Commerce & Industry. (2014). Reaping India's promised demographic dividend —industry in driving seat. New Delhi: Ernst & Young Pvt. Ltd.

Government of India. (2012). Twelfth Five Year Plan (2012-17), Planning Commission, Government of India. Retrieved from http://planningcommission.nic.in/plans/plan.htm.

Government of India. (2013). Annual Employment Review, Ministry of Labour & Employment. New Delhi.

Government of India. (2015). Economic Survey 2014-15. New Delhi: Oxford University Press.

McKinsey Global Institute. (2014). Poverty to empowerment: India's imperative for jobs, growth, and effective basic services. McKinsey Global Institute.

Kapila, U. (2014). Indian Economy Performance and Policies, 15th Ed. Published by Academic Foundation.

World Bank Group. (2015). Doing Business- a measuring business regulation index. World Bank.

Yojana. (2014). Make In India- Parameters & Policy Initiatives, Vol. 58.

Websites

http://www.makeinindia.com/

http://dipp.nic.in/english/policies/national_manufacturing_policy.pdf

http://planningcommission.gov.in/plans/planrel/12thplan/pdf/12fyp_vol2.pdf

http://www.doingbusiness.org/data/exploreeconomies/india/

http://www.oecd.org/document/20/

http://dget.nic.in/coe/main/100ITIs.htm

http://planningcommission.gov.in/data/datatable/data

http://nsdcindia.org/knowledge-bank/