

Make in India

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Abstract

Make in India is an initiative launched by the Government of India to encourage national, as well as multi-national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. India emerged, after initiation of the programmed in 2015, as the top destination globally for foreign direct investment(FDI), surpassing the United States of America as well as the People's Republic of China. In 2015, India received US\$63 billion in FDI.

Keywords:- FDI, People's Republic of China

1. INTRODUCTION

Make in India is an initiative launched by the Government of India to encourage national, as well as multi-national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. India emerged, after initiation of the programmed in 2015, as the top destination globally for foreign direct investment(FDI), surpassing the United States of America as well as the People's Republic of China. In 2015, India received US\$63 billion in FDI.

2. PLANNING:

In August 2015, Hindustan Aeronautics Limited (HAL) began talks with Russia's Irkut Corp to transfer technology of 332 components of the Sukhoi Su-30MKI fighter aircraft under the Make in India program. These components, also called line replacement units (LRUs) refer to both critical and non-critical components and fall into four major heads such as Radio and Radar; Electrical & Electronics System; Mechanical System and Instrument System.

The Ministry of Defence is auctioning a 600 billion (US\$9.4 billion) contract to design and build a Fighting Infantry Combat Vehicle (FICV) in India. The contract will be awarded in 2016.^[54]

In February 2016, Lockheed Martin stated that it was "ready to manufacture F-16 in India and support the Make in India initiative", although it did not announce any time frame. In February 2017, Lockheed stated that it intended to manufacture the F-16 Block-70 aircraft with a local partner in India, if the Indian Air Force agreed to purchase the aircraft.

In May 2017, the Union Cabinet approved the construction of 10 indigenously-built Pressurized Heavy Water Reactors (PHWRs). The contracts for the reactors worth an estimated 70,000 core (US\$11 billion) will be awarded to Indian companies. The construction 10 reactors with a combined nuclear capacity of 7 GW are also expected to create 33,400 direct and indirect jobs.

The Prime Minister of India, Shri Narendra Modi has launched an initiative named Make in India on 25th of September, 2014 in New Delhi. The aim of this campaign is to provide India an economic global recognition. While launching the programmed, PM said that investors should take it as an opportunity and not as market in India. This campaign aimed to renew an Indian economy from services-driven growth model to the labor-intensive manufacturing-driven growth. A successful implementation of the programme will be the reason of employment for

more than 10 million people in India. This is an effective plan which will attract top foreign companies to set up their business here in India.

In order to attract foreign capital, there has been made huge changes in the defense manufacturing and insurance sectors, however according to the analyst it needs to do in more effective manner. More employment in the country will boost the purchasing power of common man. India is a country having unique combination of demography, democracy, and demand which can benefit the investors.

Because of the lack of resources and clarity on policy issues, Indian businessmen too were planning to quit India and set up their business somewhere else. If this happen, will cause more poor economy. Make in India campaign with various effective resources will draw the attention of worldwide top businessmen to invest in India for any related business. In order to avoid the compulsion of Indian businesses to another country, PM has launched this attractive plan. The dream of PM Narendra Modi is to make this country free of unemployment by bringing development and growth-oriented employment through his effective governance. Poverty in India can be reduced to a great level by solving the unemployment issue for youths which in turn may solve various social issues.

ADVANTAGES

1. Manufacturing Sector led growth of nominal and per capita gdp. While India ranks 7th in terms of nominal GDP, it ranks a dismal 131st in terms of per capita GDP.
2. Employment will increase manifold. This will augment the purchasing power of the common Indian, mitigate poverty and expand the consumer base for companies. Besides, it will help in reducing brain drain.
3. Export-Oriented growth model will improve India's Balance of payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of Quantitative Easing announced by major economies).
4. Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors.
5. FIIs play dominant role (relative to FDI) in the Indian markets. However, FIIs are highly volatile in nature and a sudden exodus of hot money from India can effect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.
6. The urge to attract investors will actuate substantial policies toward improving the Ease of Doing Business in India. The Government of the day will have to keep its house in order (by undertaking groundbreaking economic, political and social reforms) to market Brand India to the world at large.

DISADVANTAGES

1. From a theoretical perspective, Make in India will tend to violate the theory of comparative advantage. If it is not economically feasible to manufacture a commodity in India, it is best to import the same from a country which enjoys comparative advantage in its production.
2. Reiterating the point made by Dr. Raghuram Ranjan, India, unlike China, does not have the time advantage as it undertakes manufacturing spree. The essential question is-Is the world ready for a second China?
3. Make in India will lead to an unsustainable focus on export promotion measures. One such measure is artificially undervaluing the rupee. This will have devastating consequences for the import bill.
4. A relative of the world economic scenario may not augur well for Make in India. With the US and Japan economics yet to recover from their economic crises and with the EU floundering, one needs to be wary about the demand side of Make in India. The clairvoyance of the incumbent RBI governor to Make for India should be put to good use.

3. SMART CITY

The first question is what is meant by a 'smart city'. The answer is, there is no universally accepted definition of a smart city. It means different things to different people. The conceptualization of Smart City, therefore, varies from city to city and country to country, depending on the level of development, willingness to change and reform, resources and aspirations of the city residents. A smart city would have a different connotation in India than, say, Europe. Even in India, there is no one way of defining a smart city.)

Some definitional boundaries are required to guide cities in the Mission. In the imagination of any city dweller in India, the picture of a smart city contains a wish list of infrastructure and services that describes his or her level of aspiration. To provide for the aspirations and needs of the citizens, urban planners ideally aim at developing the entire urban eco-system, which is represented by the four pillars of comprehensive development-institutional, physical, social and economic infrastructure. This can be a long term goal and cities can work towards developing such comprehensive infrastructure incrementally, adding on layers of 'smartness'

3.1 Features of Smart Cities:-

- Competitiveness refers to a city's ability to create employment opportunities, attract investments, experts, professionals and people. The ease of being able to do business and the quality of life offers determines its competitiveness.
- Sustainability includes social sustainability, environmental sustainability and financial sustainability.
- Quality of life includes safety and security, inclusiveness, entertainment, ease of seeking and obtaining public service, cost efficient healthcare, quality education, transparency, accountability and opportunities for participation in governance.

4. SMART CITY MISSION

- In the approach to the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions.
- The Smart Cities Mission is meant to set examples that can be replicated both within and outside the Smart City, catalyzing the creation of similar Smart Cities in various regions and parts of country.

5. IMPLEMENTATION

The implementation of the Mission at the City level will be done by a Special Purpose Vehicle (SPV) created for the purpose. The SPV will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects. Each Smart City will have a SPV which will be headed by a full time CEO and have nominees of Central Government, State Government and ULB on its Board.

CONCLUSION

To speed up growth for a slowing economy and create a consuming class of city dwellers, the role of a municipal body is crucial. Since the smart city initiative is cutting out aggressive state spending, municipalities have to generate funds from private investors and take capacity building measure to initiate big projects. Before jumping in to the deep end with urbanizing 100 small towns that have met the "smart city" criteria, the government should consider whether its financing model is feasible. And simultaneously mayors and commissioners should be trained to design new projects and tap into local resources. Otherwise, the smart city Mission will turn into an unattractive proposition right from the municipal level, which is its core. In this era of digitization; it is interesting to see the nation's leader envision such a future. On paper, the initiative seems to be an ideal plan for the poverty stricken economy, but given the high levels of bureaucracy it will be interesting to see how it plays out. The move is very much in the right direction, execution, however, will be key.

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