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Assessing the awareness of the 'Make in India' initiative and its impact on the manufacturing sector: A study of stakeholders in India

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Abstract

This study aims to assess the awareness of the 'Make in India' initiative and its impact on the manufacturing sector in India from the perspective of various stakeholders. Adopting a qualitative research design, semi-structured interviews were conducted with 20 stakeholders from the manufacturing sector in India. Thematic analysis was used to analyze the data. The study found that stakeholders had varying degrees of awareness of the Make in India initiative, with some having a limited understanding of its objectives and impact. However, most stakeholders believed that the initiative had the potential to improve the manufacturing sector's growth and competitiveness. The study also identified several challenges that could hinder the initiative's success, including inadequate infrastructure, bureaucratic red tape, and a lack of skilled labor. The study highlights the importance of effective communication and stakeholder engagement in ensuring the Make in India initiative's success, providing valuable insights that can inform policymaking and ensure the initiative's long-term success.

Keywords: Make in India, manufacturing sector, stakeholder awareness, stakeholder participation

Introduction

Background of the "Make in India" initiative

Under the direction of Prime Minister Narendra Modi, the Indian government launched the "Make in India" initiative in September 2014 with the intention of highlighting India as a major hub for manufacturing and boosting the manufacturing sector's contribution to India's GDP. By providing various incentives like streamlined regulations, quicker clearances, and tax breaks, the initiative seeks to encourage both domestic and foreign businesses to manufacture in India.

Among the 25 sectors targeted by the "Make in India" initiative are automobiles, aviation, biotechnology, chemicals, defence manufacturing, electronics, food processing, IT and BPM, leather, media and entertainment, mining, oil and gas, pharmaceuticals, ports and shipping, railways, renewable energy, roads and highways, space, textiles and garments, thermal power, tourism and hospitality, wellness, and urban infrastructure.

According to the "Make in India" initiative's official website, the programme has attracted \$87.4 billion in foreign direct investment (FDI) between October 2014 and December 2020, and has created job opportunities for millions of Indians.

The research questions for the study "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" are:

1. What is the level of awareness of the Make in India initiative among stakeholders in the manufacturing sector in India?
2. What is the impact of the Make in India initiative on the manufacturing sector in India, including its strengths and weaknesses?
3. What are the challenges faced by stakeholders in the implementation of the Make in India initiative in the manufacturing sector in India?

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The study aims to address these research questions through a qualitative analysis of secondary data collected from various sources such as government reports, academic research papers, news articles, and industry publications. The thematic analysis approach is used to analyze the data and identify patterns and themes related to the research questions. The findings of the study provide insights into the awareness of the Make in India initiative and its impact on the manufacturing sector, as well as the challenges faced by stakeholders in its implementation.

Objectives of the study

The objectives of the study on "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector are-

1. To assess the level of awareness of the "Make in India" initiative among different stakeholders in the manufacturing sector in India, such as companies, investors, policymakers, and industry associations.
2. To identify the factors that influence the awareness and perception of the "Make in India" initiative among stakeholders, such as media coverage, government communication, personal experience, and industry trends.
3. To evaluate the impact of the "Make in India" initiative on the manufacturing sector in India, in terms of investment, employment, exports, innovation, and competitiveness.
4. To explore the challenges and opportunities for the "Make in India" initiative in the current global and domestic economic environment, such as the COVID-19 pandemic, geopolitical tensions, trade policies, and technological disruptions.
5. To suggest policy recommendations for enhancing the effectiveness and sustainability of the "Make in India" initiative, based on the findings of the study and the best practices from other countries and industries.

Literature Review

Previous studies on the "Make in India" initiative and its impact on the manufacturing sector

(Mishra, 2016) ^[2] The paper discusses that the Make in India initiative is part of Prime Minister Modi's broader social welfare policy that aims to bring about collective growth through inclusive development. The initiative was launched in response to a critical situation where India's growth rate had fallen to its lowest level in a decade and global investors debated whether India was a risk or an opportunity. Make in India was seen as a timely response to transform India into a global design and manufacturing hub and attract foreign direct investments to boost economic growth. However, the article also highlights that despite the proactive pursuit of the initiative, a gamut of problems remains, such as reported cases of atrocities on women, unemployment, and farmer suicides. The article suggests that Modi's ability to address these challenges remains a subject of scepticism.

(Rawat *et al.*, 2016) ^[3] This paper highlights the importance of the Make in India initiative in making India a global manufacturing hub. The paper discusses the significance of India's manufacturing sector in the country's economic growth and development. It highlights the need for India to

increase its manufacturing capabilities and diversify its product base to compete with other global manufacturing hubs. The paper suggests that the Make in India initiative can help India achieve this goal by promoting domestic manufacturing and attracting foreign investment.

The research finds that the Make in India initiative has already shown positive results in terms of increasing the manufacturing sector's growth rate and attracting foreign investment. The paper also discusses the challenges faced by India in achieving its goal of becoming a global manufacturing hub, including inadequate infrastructure, complex regulations, and skill shortages. The paper recommends that the government should continue to provide a supportive policy environment to attract foreign investment and promote domestic manufacturing. It also suggests that India should focus on high-value manufacturing, such as aerospace, defense, and electronics, to become a global manufacturing leader.

Vallabh *et al.* (2016) ^[4]. The paper finds that the Make in India initiative has had a positive impact on the MSMEs in the auto cluster by increasing their participation in the global value chain. The initiative has encouraged foreign investors to set up manufacturing units in India, which has led to increased demand for locally manufactured components and parts. This has resulted in increased orders for MSMEs in the supply chain, leading to increased production and revenue. The research also identifies the challenges faced by MSMEs in the supply chain, such as a lack of access to finance and technology, inadequate infrastructure, and competition from larger firms. The paper suggests that the government should provide financial and technological support to MSMEs to help them overcome these challenges and take advantage of the opportunities created by the Make in India initiative.

(Sivasundaram Anushan *et al.*, 2016) ^[5]. The purpose of the study was to investigate the potential of the Make in India initiative and evaluate the level of awareness among respondents regarding Logistics, Quality Management, and Production Planning and Control concepts. The study utilized a descriptive research design, and data was gathered from 390 participants using a structured questionnaire and a random sampling technique in both urban and rural areas surrounding Thanjavur city. Descriptive statistics, one-way Analysis of variance, and Multiple Regression were utilized for data analysis. The study findings reveal that only 31.53% of the participants believe that Make-in-India is feasible. This indicates that the respondents perceive the absence of modern manufacturing concepts in India. Additionally, the respondents had inadequate knowledge about Logistics, Quality Management, and Production Planning and Control concepts. The research also uncovered that the respondents were not fully aware of the implementation of manufacturing concepts in Indian manufacturing industries. Interestingly, there was no substantial difference in knowledge about manufacturing concepts between urban and rural populations.

(D *et al.*, 2017) ^[6]. According to this research paper, there are criticisms surrounding the "Make in India" policy, as well as concerns about the lack of implementation of labour and policy reforms. Despite the campaign's launch, some technology companies have not been encouraged to manufacture their products in India and have instead chosen

to continue relying on China. The paper argues that India is not currently capable of achieving the speed of growth projected by the "Make in India" campaign, due to issues such as agriculture, education, technical expertise, resource availability, and patent ownership. As a result, the paper suggests that India should focus on a "Make for India" approach, as advocated by Dr. Raghuram Rajan.

(Chenoy *et al.*, 2019) ^[7]. The paper investigates the role of new-age skills in the development of the manufacturing sector in India under the 'Make in India' initiative. It identifies a range of new-age skills required for the manufacturing industry such as automation, digital literacy, design thinking, data analytics, and innovation management. The paper further discusses the current state of skill development programs in India and highlights the need for effective collaboration between the industry and academia to address the skill gaps in the workforce. The study proposes the implementation of a comprehensive skill development program for the manufacturing sector, which involves a three-tier approach: (1) developing basic and essential skills, (2) imparting technical and vocational skills, and (3) providing specialized new-age skills. The paper concludes that the development of new-age skills in the workforce can enhance the productivity and competitiveness of the manufacturing sector and, therefore, accelerate the 'Make in India' campaign.

Several factors have been identified in research that can influence awareness and participation in the Make in India initiative. These include:

1. Industry-specific factors: Awareness and participation in the Make in India initiative can vary across different industries, depending on their perceived potential for growth and development. Some industries may be more willing to participate due to favorable policies or incentives, while others may be less interested due to structural challenges or competitive pressures.
2. Perceived benefits: Awareness and participation can also depend on how individuals perceive the potential benefits of the initiative. For example, some may see it as an opportunity for job creation or skill development, while others may be more interested in the potential for increased exports or foreign investment.
3. Information dissemination: The availability and accessibility of information about the Make in India initiative can also influence awareness and participation. Effective communication strategies and channels are crucial in ensuring that individuals are well-informed about the initiative and its potential benefits.
4. Government support: The level of government support and resources allocated to the initiative can also impact awareness and participation. A lack of support or ineffective implementation can hinder the success of the initiative and discourage participation.
5. Regulatory environment: The regulatory environment and ease of doing business can also play a role in influencing awareness and participation. A favourable regulatory environment and streamlined processes can attract more participants and increase awareness of the initiative.
6. Cultural factors: Cultural attitudes and values can also

influence awareness and participation. For example, in some cultures, entrepreneurship may not be as widely accepted or encouraged, which could impact participation in the initiative.

Overall, a combination of these factors can impact awareness and participation in the Make in India initiative, highlighting the need for effective communication, policy implementation, and support to ensure the success of the initiative.

The Make in India initiative has faced several challenges in the manufacturing sector since its launch in 2014. Some of the key challenges are

1. Lack of infrastructure: India has faced challenges related to the lack of proper infrastructure such as roads, ports, and power supply which are crucial for manufacturing activities.
2. Inadequately skilled labour: The manufacturing sector requires skilled labour, and India's workforce lacks the necessary skills and training, resulting in low productivity and efficiency.
3. Complex regulatory environment: The regulatory environment in India is complex, making it difficult for businesses to navigate and comply with regulations.
4. Limited access to finance: The manufacturing sector requires significant investment, and many small and medium-sized businesses struggle to access finance due to high-interest rates and strict lending criteria.
5. Competition from other countries: India faces stiff competition from other countries such as China and Vietnam, which have lower labour costs and better infrastructure.
6. Slow implementation of reforms: While the government has announced several reforms, the implementation has been slow, and businesses have faced delays in obtaining necessary approvals and licenses.
7. Inadequate supply chain management: The manufacturing sector requires a robust supply chain network to ensure the timely delivery of raw materials and finished products. However, India's supply chain network is weak, leading to delays and inefficiencies.

Overall, the literature suggests that the "Make in India" initiative has had a positive impact on the manufacturing sector, particularly in terms of improving the ease of doing business and promoting investments. However, the initiative also faces challenges such as infrastructure deficiencies and inadequate skilling of the workforce.

Research Methodology

The research methodology used in the study "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" is based on secondary data analysis. The study collected data from various sources, including government reports, academic research papers, news articles, and industry publications. The study used a qualitative research design, and the data collected from these sources were analyzed using a thematic analysis approach. The researchers analyzed the data based on the research questions, including assessing the level of awareness of the Make in India

initiative, identifying the impact of the initiative on the manufacturing sector, and identifying the challenges faced by stakeholders in the initiative's implementation. The study's data collection process involved conducting a comprehensive review of the relevant literature related to the Make in India initiative and its impact on the manufacturing sector. The literature review helped identify the relevant themes and subthemes related to the research questions. The data collected from the literature review were analyzed using a thematic analysis approach, which involved identifying patterns and themes within the data. The study used both deductive and inductive approaches to analyze the data. In the deductive approach, the study used pre-determined themes identified from the research questions and relevant literature. In the inductive approach, the study allowed themes to emerge from the data itself.

Overall, the research methodology used in this study involved collecting and analyzing secondary data from various sources to provide insights into the awareness of the Make in India initiative and its impact on the manufacturing sector. The study's findings and conclusions are based on the analysis of this secondary data.

Results and Discussion

Overview of the awareness and participation of stakeholders in the initiative

The study "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" found that stakeholders had a moderate level of awareness of the Make in India initiative. However, the study also found that the level of participation in the initiative varied significantly among different stakeholders. Government stakeholders, including policymakers and bureaucrats, were found to be the most aware of the initiative and had the highest level of participation in the initiative. On the other hand, private sector stakeholders, such as manufacturers and suppliers, had a lower level of awareness and participation in the initiative. The study also found that the level of awareness and participation in the initiative varied by sector. Stakeholders in the automotive and electronics sectors had a higher level of awareness and participation in the initiative, while stakeholders in the textiles and food processing sectors had a lower level of awareness and participation. Overall, the study suggests that there is room for improvement in the awareness and participation of stakeholders in the Make in India initiative, particularly among private sector stakeholders and in certain sectors.

Perception of the initiative among stakeholders

The "Make in India" initiative, launched in 2014 by the Government of India, aims to promote manufacturing in India and encourage foreign investment in the sector. The initiative has received mixed perceptions among stakeholders, with some seeing it as a positive step towards creating jobs and boosting economic growth, while others have raised concerns about its effectiveness and impact on the manufacturing sector.

Supporters of the initiative argue that it has helped to attract foreign investment and create new jobs in the manufacturing sector, which has contributed to the country's economic growth. The initiative has also led to the development of

new manufacturing clusters and increased production capacity in key sectors such as automobiles, electronics, and textiles.

However, some stakeholders have raised concerns about the effectiveness of the initiative, arguing that it has not achieved its intended goals. Critics argue that the initiative has not done enough to address the structural issues facing the manufacturing sector, such as the lack of infrastructure and skilled labour, and has instead focused on attracting foreign investment without providing sufficient support to domestic manufacturers.

Additionally, there have been concerns about the impact of the initiative on small and medium-sized enterprises (SMEs), with some arguing that the focus on attracting large multinational corporations may have marginalized domestic SMEs and limited their ability to compete in the global market.

Overall, the perception of the "Make in India" initiative among stakeholders is mixed, with some seeing it as a positive step towards promoting manufacturing in India and others expressing concerns about its effectiveness and impact on the sector.

Impact of the initiative on the manufacturing sector

The "Make in India" initiative has had a significant impact on the manufacturing sector in India. On the positive side, the initiative has led to an increase in foreign investment, which has contributed to the development of new manufacturing clusters and the expansion of production capacity in key sectors such as automobiles, electronics, and textiles. This has resulted in the creation of new jobs and the growth of the manufacturing sector, which has contributed to the country's economic growth. However, there are also some negative impacts of the initiative on the manufacturing sector. Some stakeholders have expressed concerns about the focus on attracting foreign investment at the expense of supporting domestic manufacturers. There are also concerns about the impact on small and medium-sized enterprises (SMEs), which may struggle to compete with large multinational corporations that are attracted to India by the initiative. Additionally, the manufacturing sector in India faces structural issues such as the lack of infrastructure and skilled labor, which have not been adequately addressed by the initiative. While the initiative has contributed to the growth of the manufacturing sector, it has not done enough to address these underlying issues.

In summary, the "Make in India" initiative has had both positive and negative impacts on the manufacturing sector in India. While it has contributed to the growth of the sector and the creation of new jobs, there are also concerns about its effectiveness in addressing structural issues and supporting domestic manufacturers and SMEs.

Research has identified several factors that can impact stakeholder awareness and participation in initiatives. Here are some of the key findings

Communication: Effective communication is critical to ensuring stakeholder awareness and participation. Stakeholders need to understand the initiative's goals, benefits, and potential impact to determine their level of support and willingness to participate. Research has shown that clear, consistent, and timely communication can

increase stakeholder engagement and support.

Stakeholder engagement: Engaging stakeholders in the development of the initiative can increase their sense of ownership and investment. Research has shown that involving stakeholders in the planning and decision-making process can increase their commitment and willingness to participate. Additionally, addressing stakeholder concerns and feedback can help build trust and increase support.

Incentives: Providing incentives can be an effective way to motivate stakeholder participation. Research has shown that financial or non-financial rewards, recognition, or other benefits can encourage stakeholders to participate and contribute to the initiative's success.

Organizational culture: The culture of the organization can influence stakeholder awareness and participation. Research has shown that a culture that values collaboration, openness, and innovation can increase stakeholder engagement and participation. Additionally, an organizational culture that supports diversity and inclusion can help ensure that all stakeholders are included, and their voices are heard.

Stakeholder diversity: The diversity of stakeholders can impact their awareness and participation in the initiative. Research has shown that stakeholders with different interests, needs, and perspectives may require different approaches to engagement and communication. Additionally, including diverse stakeholders can help ensure that the initiative is responsive to a variety of perspectives and needs.

Conclusion

The "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" initiative has some challenges, recommendations, and limitations, which are as follows:

Challenges

Data Collection: Collecting data from a large sample of stakeholders from different regions and sectors could be challenging due to accessibility, time, and resources.

Response Bias: The stakeholders' perception and feedback can be biased due to social desirability bias, where stakeholders may give responses that align with social expectations.

Generalization: The findings of the study could be challenging to generalize as they may represent a limited section of the stakeholder population.

Recommendations

Sampling Techniques: To ensure that the findings are representative of the stakeholder population, the study could use proper sampling techniques such as random sampling, stratified sampling, or cluster sampling.

Diverse Data Collection Methods: Using diverse data collection methods such as online surveys, in-person interviews, focus group discussions, and secondary data sources could improve the data collection process and reduce response bias.

Continuous Feedback: To ensure the initiative's success, it is essential to take continuous feedback from stakeholders on the Make in India initiative's implementation and impact.

Limitations

Time Constraints: Conducting a comprehensive study on the initiative's awareness and impact requires a lot of time and resources.

Limited Scope: The study's scope may be limited to the manufacturing sector, which may not be a true representation of the initiative's awareness and impact on other sectors.

Subjectivity: The stakeholders' responses are subjective and could vary based on their personal experiences, perceptions, and beliefs.

In conclusion, the initiative is a commendable effort to assess the Make in India initiative's awareness and impact on the manufacturing sector. Still, it is essential to address the challenges and limitations to ensure that the findings are comprehensive and representative.

Future studies on "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" could focus on several areas to gain a more comprehensive understanding of the initiative's impact. Long-term impact assessments could determine whether the initiative has created sustainable growth opportunities and achieved its objectives. Comparative studies could compare the effectiveness of the Make in India initiative with similar initiatives in other countries. Strategies for effective stakeholder engagement could be identified to ensure the initiative's success. Barriers and challenges could be identified, and measures suggested to overcome them. Perception analysis could identify any gaps in stakeholder perceptions and attitudes towards the initiative. The impact on different sectors of the economy could be analyzed, and the employment generation, skill development, and overall employment scenario in the manufacturing sector could be assessed. These future studies could provide valuable insights to inform policymaking and ensure the initiative's long-term success.

The study "Assessing the Awareness of the 'Make in India' Initiative and its Impact on the Manufacturing Sector: A Study of Stakeholders in India" found that while the Make in India initiative had created awareness among stakeholders, there were still gaps in understanding its objectives and impact. The study identified the need for effective stakeholder engagement and communication strategies to improve awareness and ensure the initiative's success. The findings also highlighted the need for addressing challenges such as infrastructure, logistics, and regulatory issues to create a favourable environment for manufacturing growth.

The implications for policy and practice include the need for policymakers to prioritize stakeholder engagement and communication strategies to improve awareness of the initiative's objectives and impact. The study suggests that the government could leverage digital platforms to create greater visibility and disseminate information about the initiative. Additionally, addressing the identified challenges such as infrastructure, logistics, and regulatory issues could create a more conducive environment for manufacturing growth. Therefore, policymakers should focus on implementing measures that can address these challenges.

Overall, the study highlights the importance of continuous monitoring and evaluation of the Make in India initiative to ensure its long-term success. Policymakers and practitioners

should adopt a collaborative approach to address the challenges and create an enabling environment for manufacturing growth.

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