

Effectiveness of 'Make in India' Project for the Economic Development of Entrepreneur: A Case Study of Uttarakhand State

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Abstract

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. At the concluding session of the national workshop on Make in India in Vigyan Bhawan, New Delhi, 29 December 2014 Modi had hinted towards the initiative in his Independence Day speech of 15 August 2014. On 29 December 2014, a workshop was organized to make industrially sound and advanced country by the Department of Industrial Policy and Promotion which was attended by Modi, his Cabinet ministers, chief secretaries of states and various industry leaders. This is nice project and these types of project not only encourage the entrepreneur but also provide the right direction to enhance in the field of economy and try to develop the economy of India day by day. This paper analysis the effectiveness of make in India programme for the economic development of Entrepreneurs of Uttarakhand state.

Key words: Make in India, Indian Economy, skill India, FDI etc.

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1. INTRODUCTION

Projects like make in India/skill India are made to give the shape to the new generation of India and provide the adequate and efficient decision making regarding the economic and social development of modern India. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Some of these sectors are automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, and electronics. The initiative hopes to increase GDP growth and tax revenue. The initiative also aims at high quality standards and minimizing the impact on the environment. The initiative hopes to attract capital and technological investment in India. The campaign was designed by the Wieden + Kennedy (W+K) group which had previously worked on the Incredible India campaign and a campaign for the Indian Air Force. Under the initiative, brochures on the 25 sectors and a web portal were released. Before the initiative was launched, foreign equity caps in various sectors had been relaxed or. The application for licenses was made available online. The validity of licenses was increased to 3 years. Various other norms and procedures were also relaxed. In August 2014, the Cabinet of India allowed 49% foreign direct investment (FDI) in the defence sector and 100% in railways infrastructure. The defense sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake; this was changed so that multiple companies could hold 51% capital.

2. SECTOR OF MAKE IN INDIA PROJECT

2.1 Sectors with up to 100% FDI allowed: Automobiles, Automobile components, Aviation(green field airport projects, helicopter services & seaplanes, maintenance & repair organizations), Biotechnology, Chemicals, Construction, Electrical machinery, Electronic system, (Design & Manufacturing sector), Food processing, IT & BMP, Leather, Media & Entertainment(Non-News and Current Affairs TV channels, Publishing/printing of scientific and technical magazines), Mining, Oil & Gas, Pharmaceuticals, Ports, Railways, Renewable energy, Roads & Transport, Textiles & Garments, Thermal Power, Tourism & Hospitality and Wellness(AYUSH).

2.2 Sectors with up to 74% FDI allowed: Space, Media & Entertainment(Teleports, DTH, cable networks, mobile TV, Head end-in-the-Sky Broadcasting Services), Aviation(existing airport projects, up to 100% under government route).

2.3 Sectors with up to 49% FDI allowed: Defense manufacturing, Aviation(domestic scheduled passenger airlines, Non-Scheduled Air Transport, Service ground handling services, up to 74% under government route, 100% for NRIs) Electronic system(electronics items for defense).

2.4 Sectors with up to 26% FDI allowed: Media & Entertainment (FM radio, News and Current Affairs TV channels, and Print media).

3. RESPONSES

In January 2015, the Spice Group said it would start a mobile phone manufacturing unit in Uttar Pradesh with an investment of 500 crore. A memorandum of understanding (MoU) was signed between the Spice Group and the Government of Uttar Pradesh. In January 2015, HyunChil

Hong, the President & CEO of Samsung South West Asia, met with Kalraj Mishra, Union Minister for Micro, Small and Medium Enterprises (MSME), to discuss a joint initiative under which 10 "MSME-Samsung Technical Schools" will be established in India. In February, Samsung said that it will manufacture the Samsung Z1 in its plant in Noida. In February 2015, Hitachi said it was committed to the initiative. It said that it would increase its employees in India from 10,000 to 13,000 and it would try to increase its revenues in India from ₹100 billion in 2013 to ₹210 billion. It said that an auto-component plant will be set up in Chennai in 2016. In February 2015, Huawei opened a new research and development (R&D) campus in Bengaluru. It had invested US \$170 million to establish the research and development center. Also in February, Marine Products Export Development Authority said that it was interested in supplying shrimp eggs to shrimp farmers in India under the initiative. In March, 2015, Sony India's head, Kenichiro Hibi, said at the Mobile World Congress that they may open a factory in India.

'Skill India': A New Programme has been launched in June 2015

By Rumani Saikia Phukan

After 'Digital India' and 'Make in India', the present NDA Government is to launch yet another programme. This one is a revised version of programmes launched earlier under the skill development policy. This new programme, called 'Skill India', is supposed to be a multi-skill programme. It has been launched in June 2015. Like all other programmes, 'Skill India' too is a dream project of Narendra Modi.

4. OBJECTIVES OF 'SKILL INDIA'/MAKE IN INDIA

The main goal is to create opportunities, space and scope for the development of the talents of the Indian youth and to develop more of those sectors which have already been put under skill development for the last so many years and also to identify new sectors for skill development. The new programme aims at providing training and skill development to 500 million youth of our country by 2020, covering each and every village. Various schemes are also proposed to achieve this objective. Some of the objectives of the project make in India are

- 1- Effectiveness of make in India is important for the economic development of Entrepreneur
- 2- Entrepreneur will be more satisfied/ benefited from the project of make in India.

5. HYPOTHESES

H0 there is no difference between the income of Entrepreneur before and after make in India project.

H1 there is significant difference between the income before and after make in India project

6. RESEARCH METHODOLOGY

For micro level study we have taken District Haridwar whichever the result come will be applicable in urban areas of Uttarakhand as a whole. Descriptive research design has been used for the entrepreneur of the Industry and their perceptions towards the project Make in India availed by them has Determined and described. The present study has been based on both primary and secondary data. Primary data have been collected through well designed questionnaires and open Ended interviews with the entrepreneur, Government employees and Professionals of Uttarakhand. Secondary data have been collected from annual reports, magazines, Newspaper,

internet, review and records of development projects, statistical department of Uttarakhand. I have taken the sample size of 100 entrepreneurs, Government employees and Professionals for my study. Sample area of the research have been cover the full area of Districts Haridwar of Uttarakhand .Analysis of data have been made by using various required statistical tools. Tables, Diagrams, graphs, ANOVA test etc. have been also be used to analyze, present and interpret the problem for drawing the result of the study. Public survey regarding their Opinion about the functioning of various Industries of District Haridwar in the State Utrrakhand is also being done as a part of study.

7. FEATURES OF 'SKILL INDIA'

The emphasis is to skill the youths in such a way so that they get employment and also improve entrepreneurship. It provides training, support and guidance for all occupations that were of traditional type like carpenters, cobblers, welders, blacksmiths, masons, nurses, tailors, weavers etc. More emphasis is being given on new areas like real estate, construction, transportation, textile, gem industry, jewelry designing, banking, tourism and various other sectors, where skill development is inadequate or nil. The training programmes are being run on the lines of international level so that the youths of our country can not only meet the domestic demands but also of other countries like the US, Japan, China, Germany, Russia and those in the West Asia. Another remarkable feature of the 'Skill India' programme would be to create a hallmark called 'Rural India Skill', so as to standardize and certify the training process. Tailor-made, need-based programmes would be initiated for specific age groups which can be like language and communication skills, life and positive thinking skills, personality development skills, management skills, behavioral skills, including job and employability skills. The course methodology of 'Skill India' would be innovative, which would include games, group discussions, brainstorming sessions, practical experiences, case studies etc.

8. HOW IS IT DIFFERENT FROM THE PREVIOUS SKILL DEVELOPMENT POLICIES?

It is not that we do not have any skill development programme already. The Government of India has always considered skill development as a national priority. It is just that since the ministry is new, the approach taken for skill development is also new. Earlier, the emphasis was on traditional jobs. But this time, all kinds of jobs will be given equal emphasis. Earlier, the responsibility was divided among various ministries, but this time, these are being clubbed together. The ministry of skill development and entrepreneurship will be the principal ministry which is going to coordinate with other ministries and organizations. According to NDA government, Skill India won't be just a programme but a movement. Here, youth who are jobless, college and school dropouts, along with the educated ones, from rural and urban areas, all will be given value addition. The new ministry will be the certifying agency. Certificates are issued to those who complete a particular skill or programme and this certificate has to be recognized by all public and private agencies and entities, including overseas organizations. Skill India is a programme for the entire nation.

9. ANALYSIS OF THE STUDY

Following analysis is done on the basis of data for the 100 industrial entrepreneurs in District Haridwar regarding the satisfaction after using the project make in India/skill India.

Table No. 1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	95	95.0	95.0	95.0
	Female	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

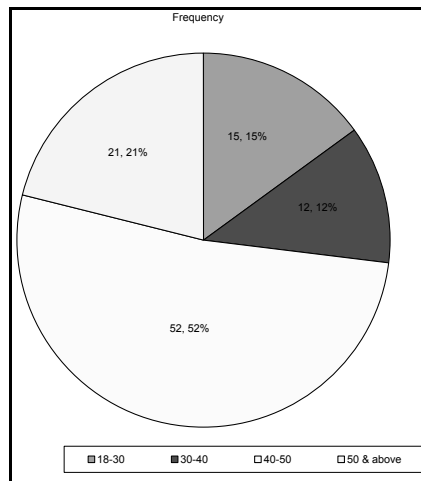
Source: Field Survey

Most of the industrial entrepreneur is being found male like 95% during the field survey while female is just only 5% to identify that male are getting more satisfaction from the project make in India in District Haridwar according to the above table No. 1.

Table No. 2: Age of the Entrepreneur

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	15	15.0	15.0	15.0
	30-40	12	12.0	12.0	27.0
	40-50	52	52.0	52.0	79.0
	50 & above	21	21.0	21.0	100.0
	Total	100	100.0	100.0	

Source: Field Survey

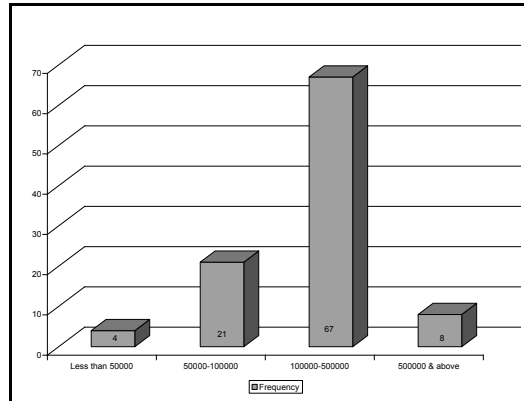


Most of the industrial entrepreneur belongs to the age between 40-50 like 52.0% and the age between 50 & above are 21.0% that means entrepreneur above age 40 years are getting more interest to connect with the project make in India for their economic development according to the above table No.2.

Table No. 3: Income of the Entrepreneur

Income of Entrepreneur	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 50000	4	4.0	4.0	4.0
50000-100000	21	21.0	21.0	25.0
100000-500000	67	67.0	67.0	92.0
500000 & above	8	8.0	8.0	100.0
Total	100	100.0	100.0	

Source: Field Survey

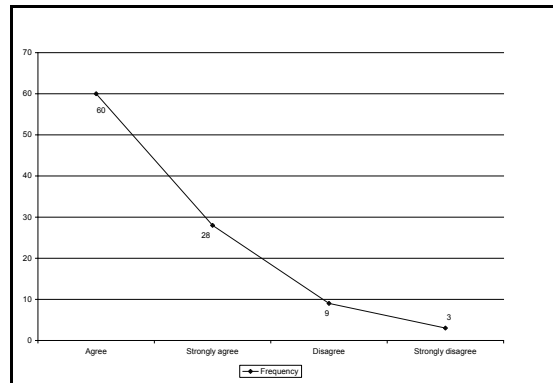


Most of the industrial entrepreneur belongs to the Income group between 100000 -500000 like 67.0% and the Income group between 50000-100000 are 21.0% that means industrial entrepreneur above income 100000 rupees are getting more interest to connect with the project make in India according to the above table No.3.

Table No. 4: Satisfaction of Entrepreneur By using the Project make in India

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	60	60.0	60.0	60.0
	Strongly agree	28	28.0	28.0	88.0
	Disagree	9	9.0	9.0	97.0
	Strongly disagree	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

Source: Field Survey



Most of the industrial entrepreneur are agree like 60.0% after using project make in India and the entrepreneur who are agree like 28.0% while disagree are 9.0% and strongly agree belongs to only 3.0% which is showing the satisfaction level of entrepreneur that means entrepreneur are getting more interest to connect with the project of make in India according to the above table No.4.

10. ONE WAY ANOVA TEST

A ANOVA test for determining significant variance in entrepreneur’s perception for satisfaction level. In our Null Hypothesis we have assume that perception of entrepreneur regarding the income and make in India for the satisfaction level after using the project make in India/skill India.

ANOVA

Income of the Entrepreneur	Sum of Squares	d.f.	Mean Square	F	Sig.
Between Groups	4.039	3	1.346	3.536	.018
Within Groups	36.551	96	.381		
Total	40.590	99			

11. MULTIPLE COMPARISONS

Dependent Variable: Income of the Entrepreneur

(I) Satisfaction of Entrepreneur By using the Project make in India	(J) Satisfaction of Entrepreneur By using the Project make in India	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Agree	Strongly agree	-.24286	.14122	.319	-.6121	.1264
	Disagree	-.57222	.22057	.053	-1.1489	.0045
	Strongly disagree	-.68333	.36505	.247	-1.6378	.2711
Strongly agree	Agree	.24286	.14122	.319	-.1264	.6121
	Disagree	-.32937	.23644	.507	-.9476	.2888
	Strongly disagree	-.44048	.37485	.644	-1.4206	.5396
Disagree	Agree	.57222	.22057	.053	-.0045	1.1489
	Strongly agree	.32937	.23644	.507	-.2888	.9476
	Strongly disagree	-.11111	.41136	.993	-1.1867	.9644
Strongly disagree	Agree	.68333	.36505	.247	-.2711	1.6378
	Strongly agree	.44048	.37485	.644	-.5396	1.4206
	Disagree	.11111	.41136	.993	-.9644	1.1867

In Terms of entrepreneur's Income and Make in India/skill India

The entrepreneur District Haridwar seems to more satisfy in terms of Income of the entrepreneur and project of make in India. The mean satisfaction level for income is (1.346) between the group and it is (.381) within income. But there is no significant variation between the satisfaction level for the entrepreneur's income and project of make in India at 95% confidence level since the value of P.E. is more than 0.05.

12. ADVANTAGES OF SKILL INDIA

The idea is to raise confidence, improve productivity and give direction through proper skill development. Skill development will enable the youths to get blue-collar jobs. Development of skills, at a young age, right at the school level, is very essential to canalize them for proper job opportunities. There should be a balanced growth in all the sectors and all jobs should be given equal importance. Every job aspirant would be given training in soft skills to lead a proper and decent life. Skill development would reach the rural and remote areas also. Corporate educational institutions, non-government organizations, Government, academic institutions, and society would help in the development of skills of the youths so that better results are achieved in the shortest time possible.

13. TO SUM UP

What shape 'Skill India' will take and what it will do only time can tell. But no doubt it seems to be a good initiative - providing skills to people, especially because **India** is one of the few countries all across the world whose working age population will be very high, few years down the line, going by its ever-increasing growth of population, as per the World Bank. It is also high time now measures are taken to improve the physical and mental development of the youths of the country so that none of them remains unemployed and the country's unemployment problem also gets reduced. It is time to open up avenues by which the youth accepts responsibility and no one remains idle because an idle youth is a burden to the economy. The economy should concentrate on job creation and social security schemes. With this new approach towards skill development, India can definitely move forward towards its targeted results.

14. LIMITATION OF THE STUDY

The limitation of the study is taken as the time taken for the study is short. The area covered for the study is limited. Make in India success depends on various uncontrollable factors such as condition of world economy, behaviour of Indian labour and labour union as more than 65% industries in India is labour intensive.

15. CONCLUSION

This is a time of great expectation for India and probably the only time in recent past where our old of driving breakout growth in manufacturing are very high as Indian economy getting momentum and Chinese economy going to slow. Having said that there is long journey ahead of us, on that start with reviving the industry and then achieving global competitive followed by claiming global leadership. A good start has been made with the government announcing its intents but the tougher talk for India is to address competitiveness in non-cost factors, labour skillness and land acquisition etc. to gain investor confidence and attract high FDI in the future India would need to fix its poor infrastructure through investment in power generation,

highways, ports, railway etc. radical labour reforms, simpler tax structure and easier access to formal credit mechanism are also long awaited.

Apart from this, India will need to show improvement in its ease of doing business, addressing non-cost factors, position to small-scale industry (as they provide lease for large industry) and also building perception around these improvements in the international arena are crucial for make in India to succeed in future.

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