

9. Make in India and it's Impact on Rural Development

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Abstract

Make in India is a buzzword which was launched by Prime Minister, Shri Narendra Modi on September 25, 2014 for the purpose of inviting various commercial sectors from all around the world, to engineer their products in India and sell them anywhere they wish. India is the fourth largest economy in the world but with un-uniform growth pattern. The problem which developing countries faces are development of rural area especially India where 70% of population lives in rural in that 80% is poor. The rural development programmes like the 'Make in India' are the key devices for the development of the rural areas in the country. As we know that, the people of rural area have seen difficulties from the time immemorial like poverty, lack of basic amenities, unemployment inappropriate infrastructure facilities, the time has come to give them their deserving rights. India cannot shine without the shining of the Rural India. National Development is almost synonymous with the Rural Development. This paper makes an attempt to comprehensively understand the impact of Make in India initiative on the rural life and it's livelihood.

Key Words- Make in India, livelihood, Rural development, poverty, unemployment.

Introduction

A government's campaign named 'Make in India' is the BJP-led NDA government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy. The Indian Prime Minister launched the campaign in September 2014 with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings.

We are aware of the situation that India is a country of villages and its development is synonymous with the development of the people living in rural areas. India is a vast and second most populous country of the world with 121 crores of population in that 70% lives in rural area. This implies that we are strong in labour resources but the major population lives in unreachable area. They faces problems like poverty, low level of literacy and income, high level of unemployment, and poor nutrition and health status. Rural development requires to overcome these issues but provision of this is not easy task. Hence, this paper examines the challenges of rural development along with the contribution of Make in India scheme.

Objectives

1. To understand the concept and vision of Make in India.
2. To find out the challenges facing rural development.
3. To understand the role of Make in India in rural development.

Research Methodology

The study focuses on extensive study of Secondary data collected from, offline annual reports, magazines government reports, publications from various websites which focused on my subject matter.

The Make in India Vision

Manufacturing currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe.

Our Prime Minister called for all those associated with the campaign, especially the entrepreneurs and the corporates, to step and discharge their duties as Indian nationals by First Developing India and for investors to endow the country with foreign direct investments which leads to overall development. He stressed on the employment generation and poverty alleviation that would inevitably accompany the success of this campaign.

For the Make in India campaign, the government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India.

Sectors under Make in India Scheme

| | |
|--------------------------------------|-------------------------|
| Automobile and Automobile Components | Mining |
| Aviation | Oil and Gas |
| Biotechnology | Pharmaceuticals |
| Chemicals and Petrochemicals | Ports and Shipping |
| Construction | Railways |
| Defence | Renewable Energy |
| Electrical Machinery | Roads and Highways |
| Electronic Systems | Space |
| Food Processing | Textiles and Garments |
| IT and BPM | Thermal Power |
| Leather | Tourism and Hospitality |
| Media & Entertainment | Wellness |

clear tax

Figure 1- Sectors under Make in India Scheme.

Source - Cleartax.in

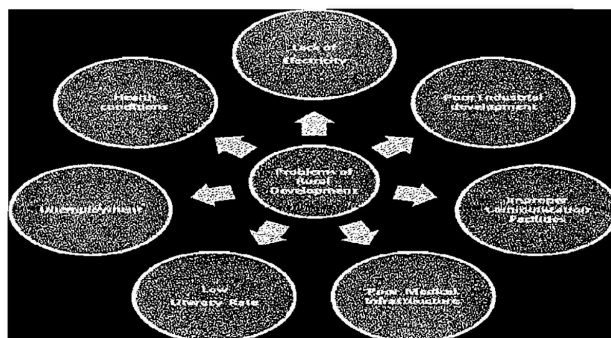
Rural Development

According to Agarwal (1989)- Rural development is a strategy designed to improve the economic and social life of rural poor.

Rural Development has been receiving increasing attention of the governments across the world. In the Indian context, rural development assumes special significance for two important reasons. First, about two-thirds of India's population still lives in villages and there cannot be any progress so long as rural areas remain backward. Second, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.

Challenges facing Rural Development

India is continuously trying to boost the rural economy. But in its effort to boost the rural economy, India is facing many issues, which slows down the economic growth. The issues are really important and need to be solved.



Here is A List of Key Issues that must be Solved in Order to Grow the Rural Economy

Figure 2 - Challenges of Rural Development.

Source - researchgate.net

1. Unemployment, debts, and poverty

These three are in chronological order! Rural economy encounters with unemployment. An unemployed person takes debts to survive such circumstances, ultimately fails to save the left-overs, and becomes poorer.

2. Dependency and financial nonequivalence

Financial inequality and dependency are more usual than in semi-urban or urban areas. There is a variance in the living standards of a rural community. Dependency means a member of the family leaves the area for earning and others are dependent on him or her.

3. Migration

Due to many whys and wherefores, a villager elects to leave his home, land, and even ancestral resources. To get a job, people migrate. Evacuation of the whole village for the same is ordinary. Migrants live a miserable initial life in a new place until they get work. Their struggle for survival sometimes leads to involvement in an illegal act. It is high time now to spread awareness amongst them regarding the policies and funds.

4. Connectivity

Roads, transport, and mobile communication play an important role in rural development. It connects the people of rural areas to the outside world. In India, many poor communities are isolated due to bad road conditions, inadequate transport, and lack of mobile communication services. Bad connectivity causes many other problems for rural people.

5. Illiteracy

Illiteracy is a strong correlate of poverty and hunger and is mainly a rural phenomenon which hinders rural development and food security; threatens productivity and health, limits opportunities to improve livelihoods and to promote gender equity, since illiteracy is particularly high among rural girls and women.

Contributions towards Rural Development

1. Make in India initiative helps in creating jobs for ever-increasing population of India and which is a permanent solution of unemployment and also alleviate poverty.

2. Conversion of India into a manufacturing hub of various commercial products helps in improving the national income and per capita income of an individual which helps in improving the standard of living of the people especially in rural areas.

3. Development of the areas and the neighboring locations where the industries would be set up is the most remarkable step of this scheme as it will create the infrastructural facilities in rural areas like roads, railway, healthcare, schools and colleges.

4. The program will boost the GDP of the Indian economy as foreign investments will lead to humongous flow of income. The FDI under this initiative would strengthen the rupee against the domination of the American dollar.

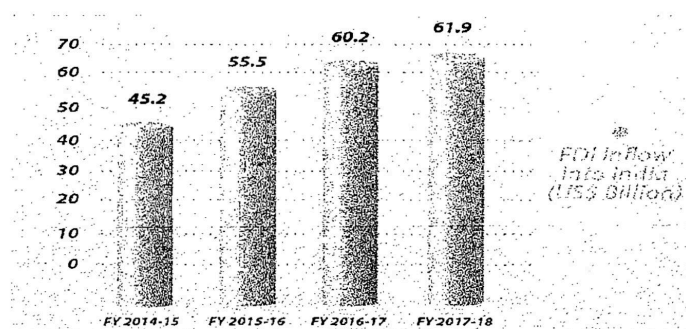


Figure 3- FDI inflow into India(US\$ Billion)

Source - DIPP

5. As countries from all over the world will bring along latest technology, India will have an opportunity to make use of it as it lacks in various test mechanization.

6. Setting up of industries under this initiative will help in the development of rural areas. It will help in reducing the hunger and homelessness in rural areas.

7. The Shram Suvidha Portal, eBiz portal, etc. have been launched. The eBiz portal offers single-window access to eleven government services connected with starting a business in India which we can say is a step towards ease of doing business.

8. The mission Skill India was launched to support Make in a India initiative aims to skill 10 million in India annually in various sectors. Make in India to turn into a reality, there is a need to upskill the large human resource available. This is important because the percentage of formally skilled workforce in India is only 2% of the population especially in rural areas.

9. Government has come up with the new version, i.e, Make in India 2.0 with the updated aims to achieve the target by eliminating the loopholes already existing in the earlier version of it.

Drawbacks

1. Under Make in India campaign, all the focus lies on the manufacturing sector. So this causes a negative impact on the development of rural area as we know that majority of the population depends on agriculture sector for their livelihood.
2. As setting up manufacturing industries requires natural resources like land, water, etc on a large scale. So, there is a possibility of depletion of these natural resources and uprooting of villages which can threaten the survival of such large population of rural India.
3. Entry of foreign countries into the manufacturing sector in India has caused a threat to the existing small local entrepreneurs especially in rural area which might force them out of business.
4. A wide disruption in the agricultural sector which is considered as the backbone of the Indian economy due to the utilization of land primarily for setting of manufacturing industries.
5. Unemployment will be created if the foreign investors back out from the initiative which is the main source of uplifting the economy and the solution to the various challenges faced in rural areas

Suggestions

1. Create more industrial opportunities in sections of rural India untouched by 'industrial India', by involving the poorest, and among them the most disadvantaged, and upscale it in a sustainable manner.
2. The government should ensure the impact of the scheme after implemented.
3. The Government should also ensure that there are sufficient platforms for improving research and development in the country.
4. The policymakers introduced too many schemes and did not focus on the implementation mechanisms so better mechanism is the necessity.

Conclusion

'Make in India' is a policy initiative with inbuilt inconsistencies. The bundle of contradictions unfold when we examine the incongruity of 'swadeshi' products being made with foreign capital. This has led to a scenario where there is a quantum jump in the 'ease of doing business' ranking, but investments are still to arrive. The economy needs much more than policy

window dressing for increasing manufacturing activity. The government must realise that industrialisation cannot be kick-started by a series of bills in Parliament and hosting investors' meets.

The need of the hour is the convergence of all development interventions at the grass-root level so as to enhance necessary infrastructure in the backward regions and ensure capacity building and skill up-gradation. Together with the government, the people living in rural area are also needed to contribute, without their contribution the development is not at all possible. Both have to take the initiative, this initiative will surely make our country developed country.

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