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Make in India a Manufacturing Hub Campaign: Perception of Budding Entrepreneurs

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Abstract
The creation of job in the manufacturing sector will have multiplier effect in creating jobs in medium and small-scale industries downstream, logistics, transportation, customer service and technical support. It has been projected that the make in India campaign could add up to 90 million jobs in next decade. According to a Mckinsey analysis, rising demand in India, with the MNCs' desire to diversify their production to include low-cost plants in countries other than China, could help India's manufacturing sector to grow six-fold by 2025, creating up to 90 million jobs. Over the next decade, the banking sector is projected to create up to two million new jobs, driven by the efforts of the RBI and the government of India to integrate financial services into rural areas. The aim of present government is to improve the standard of living of economically weaker section and eradicate poverty through various new programmes like Make in India a manufacturing hub campaign so that people may have real shift from being economically poor into middle class which will lead to good business opportunities and get more employment opportunities in India. So, the present study examines the perception of budding entrepreneurs towards make in India a manufacturing hub campaign it will really help the people to transform India into a global manufacturing hub and there by generate more employment opportunities for educated youth in India. This study was conducted in Vellore district, Tamil Nadu.

Keywords: Make in India, Perception, Budding Entrepreneur, Employment opportunities, Manufacturing hub.

Introduction

The 'Make in India' campaign was launched by our Hon'ble Prime Minster Mr. Narendra Modi at an event on 26th September, 2014. This another important nation building initiatives and programme of central government designed to transform India into a global manufacturing hub. The present aim of government is to improve the standard of living of economically weaker section and eradicate poverty through various new programmes like Swachh Bharat, Jan Dhan Yojana, Jan Suraksha Schemes-Ensuring Social Security, Micro Units Development Refinance Agency (MUDRA), Beti Bachao, Beti Padhao, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission (SCM) Housing for all by 2022 and etc., through which people may have real shift from being economically poor into middle class and this willlead to good business opportunities in India. Among the various above schemes of present government, make in India a manufacturing hub campaign aims to invite international capital to start manufacturing industries with cost effective, more technology and create more employment opportunities for educated unemployed youth in India. In this background, this empirical research study highlights the perception of budding entrepreneurs towards make in India a manufacturing hub campaign.

Impact of Make in India

The aim of Make in India is to boost the manufacturing sector and there by create more employment opportunities in Indian job market and increase large number of by-products that has more impact on 25 leading industrial sectors. Some of the important sectors with their expected opportunities look up are given in table 1.

TABLE 1. Industrial sectors with opportunities look up

Industrial sector	Opportunities look up
Automobiles	India's car market potential: 6+ millions units annually by 2020
Auto components	Over 35 IPOs of global OEMs and Tier 1 procuring from India.
Aviation	9th largest civil aviation market in the world, about $12 billion in value terms potential to become the third largest aviation market in the world by 2020.
Biotechnology	Government expenditure plans: $3.7billion during 2012-17, more emphasis on biotech parks to facilitateproduct development, research and innovation.
Chemicals	3rd largest in Asia and 6th largest by output in the world. India's colorant industry: Valued at $6.8 billion, with exports accounting for nearly 75%.
Electrical machinery	By 2020, the generation equipment industry in India is projected to grow to $25-30 billion.
IT and BPM	National Policy on Information Technology 2012 aims to increase revenues of IT and BPM industry to $300 billion by 2020 and expand exports to $200 billion by 2020.
Leather	Total production value of $11 billion with great potential for exports and a huge domestic market. Projected growth of 24% per annum.
Mining	India has vast minerals potential with mining leases grated for longer durations of 20 to 30 years. Projected growth 7%.
Pharmaceuticals	Expected to rank among top three pharmaceutical markets in terms of incremental growth by 2020.
Renewable energy	India plans to scale up renewable energy to 165 MW, of this solar energy will be 100 GW by 2019-20.
Textile and Garments	India has the highest loom capacity with 63% of the world's market share. Textiles exports from India projected to be around $300 billion by 2025.

Source: Amitabh Kant (2015)

Focus on MSME through Make in India

It is obvious that Make in India a manufacturing hub will create more employment opportunities and willdefinitely boost Micro Small and Medium Enterprises (MSMEs). If foreign investment is made on more industries from different regions and sectors it will help to resolve all issues and will assist the growth of domestic industries. According to Mr. Charan Singh (2014), the MSMEs contribute nearly 8% to the national GDP employing over 8 crore people in nearly 4 crore enterprises. They account for 45% of manufactured output and 40% of exports from India. Hence, there is a need for Government to focus on MSMEs and thereby improve the manufacturing sector in India.

Employee's Long Term Gain

Industrial growth and economicdevelopment are interrelated. Make in India campaign would definitely improve the image of India as well as the brand among global investors to invest their capital through Foreign Direct Investment (FDI), Foreign Institutional Investor (FII) start manufacturing industry in India.When manufacturing company is expected to make profits after one or two years, the diversification and expansion of their services all over India will create more credit demand. In turn this will lead to increase in profits of financial service institutions. If corporates make profits employees get benefited through enhanced salary, more welfare measures, improve standard of living, know-how demand and creation of long term employment gains.

Ease of Doing Business in India

The budget 2015-16 proposed many measures to ease doing business in India. Some of them include, setting up of an expert committee to get rid of multiple prior permissions, commitment of Goods and Services Tax (GST), abolishing wealth tax, reducing corporate tax rates from the present 30% to 25% over the next four years (Sahoo, 2014a; 2014b) and also the launch of eBiz portal for businesses in one of the technology enabled e-governance efforts. The e-Biz portal is a single-widow system on the web for firms to navigate the documentation related formalities of setting and managing a business in India. As of now, eleven services can be availed online on G2B eBiz portal. The government aims to integrate 26 central government services across nine departments on the platform (Pravakar Sahoo and Abhirup Bhunia, 2015).

Make in India: Attract Foreign Investment and Global Players

2015 is the year of all Indian companies to witness some real-time action. According to India Inc., a slow reform is expected which would attract foreign investment and global players into the country. As per the national and global research outcome the benefits of few important sectors relating to make in India campaign and some of the industrialist and human relation opinion were given below (Sannita Chakraborty Saha, 2015)

1. According to a Mckinsey analysis, rising demand in India, with the MNCs' desire to diversify their production to include low-cost plants in countries other than China, could help India's manufacturing sector to grow six-fold by 2025.
2. The dream of digital India is being created on the drawing boards of all policy planers with the announcement of smart cities and DISHA, the National Digital Literacy Mission, which aims to make one member of every one of 200 million plus households in the country digitally literate.
3. Fuelled by rising incomes and growing affordability, the consumer durables market is expected to expand at a growth rate Compound Annual Growth Rate(CAGR) of 14.8% to $12.5 billion in FY2015 from $7.3 billion in FY2012.

4. Research and consulting firm Spire had predicted that within 4-5 years, E-commerce industry will consolidate, with only 2-3 players surviving. According to E-tailing India research, Indian E-commerce market will research $90 billion by 2019.
5. Over the next decade, the banking sector is projected to create up to two millionnew jobs, driven by the efforts of the RBI and the Government of India to integrate financial services into rural areas.
6. The Media and Entertainment sector is expected to grow at a CAGR of 14.2% over 2013-18, by which time it is projected to become a Rs.1786 billion (US$ 29.51 billion) industry.

Review of Literature

The literature review prepared for this study on Make in India reflects the opinion of various experts based on their experience. In order to validate the importance of this study, the following various literature has been reviewed to get statement of problems.Times News Network (2015), addressing the top brass of the central bank in an event to RBI's 80th anniversary, Prime Minister Mr. Modi raised the topic of "Make in India", a subject close to his heart. Mr. Modi said, "Mahatma Gandhi fought for Swadeshi does it behove us to print his photograph onimported paper? Does India not have the entrepreneurs to make the paper in India?. Christine Lagarde (2015) says India for being a 'bright spot' ona cloudy global horizon, urged government to seize its opportunity and even told students at Lady Shri Ram College that she would personally invest her money in India. Her positive prediction that India'sGDP would be double in size by 2019 from what it was in 2009 is of a piece with similar gung-ho declarations of faith by visiting high profile dignitaries, corporate honchos and economists in the past. With its young demography, huge market size and managerial prowess India has for years been thought of as ready for take-off. Times News Network (2014) reported that the government has a string of changes, including making the decision-making nimble and inclusive, to push his make in India initiative, after 23top bureaucrats suggested several initiatives and a stable policy regime to boost the anaemic manufacturing sector. The government is also generally trapped in "ABCD' culture from top to bottom. A means Avoid, B-Bypass, C-Confuse, D-Delay. Our efforts is to move from this culture to 'ROAD' where R stands for Responsibility, O-Ownership, A-Accountability, D-Discipline. We are committed to moving towards this roadmap. George Skaria (2015) pointed out that the central government announced the Make in India programme, it has caught the imagination of an industry longing for a panacea to a tentative industrial revival. According to Mckinsey analysis found that rising demand and multinational corporations' (MNCs) desire to diversify global production bases to India could help the country's manufacturing sector grow six-fold to $1 trillion by 2025, while creating up to 90 million domestic jobs.

Press Trust of India (2015) expressed that make in India has seen an overwhelming response on its digital platforms like Facebook and Twitter since its launch just three months ago. The initiative has already touched over 2.1billion global impressions of social media and reached an overall fan base of over three million on its Facebook page. Saraswat (2015) stated that Indian industries and companies have demonstrated their ability to master efficiency and local responsiveness but we have to figure out the third key which is innovation to make in India dream come true. Calling for bigger break-through to cope with challenges in energy, environmental sustainability, quality of life, health care and t expand out digital landscape. The only path to success is long-term investment in R&D, Science and technology intervention and innovation. Sidhartha and Surojit Gupta (2015) stressed that the government's 'Make in India' initiative could get top billing in the 2015-16 Union Budget with tax breaks and other measures for several sectors. Make in India is the centre-piece of the government administration's bid to revive manufacturing activity and create millions of jobs. With the Chinese economy showing, India senses an opportunity in the industrial sector. Gurcharan Das (2015) expressed that 'Make in India' programmed to revive manufacturing and deliver a million new jobs that are needed each month. But the problem is that manufacturing is precisely the sector that has historically let India down. Since 1991, India's growth has been driven largely by services. Can central government reverse this unhappy trend and usher in a genuine industrial revolution that has lifted 400 million people out of poverty in China? With the coming of robotics, 3D printing, and digitally controlled lasers, manufacturing is so automated now that it is no longer possible for an unskilled farm labourer to aspire to a factory job. Moreover, manufacturing jobs, which are presently leaving China because of rising cost, are likely to go elsewhere-Southeast Asia, Mexico and even Bangladesh, India remains unattractive because of its notorious red tape and poor infrastructure. Swaminathan (2015) stated that the traditional manufacturing is not dying. It will grow in volume and employment for a long time. The newcomers occupy only a small part of the economic space today. In traditional industries, "make" and "manufacture" may remain synonymous. But let us prepare for a future where, increasingly, "manufacture" will be just a small part of 'make".Based on the above literature, the study makes further attempts to identify the problems on the perception of young entrepreneur's relating to make in India in Vellore district, Tamil Nadu.

Statement of Problem

In addition to the above literature review on make in India, the study focused to identify the various problems highlighted by the various experts and industrialist were presented below.Srijan Pal Singh, (2015) raised the questionslike: How to Make in India? What will be the roadmap for Make in India? And, how do we go beyond Make in India – to research, design, develop, produce and thus truly 'Create in India? In our opinion, the answer rests on five pillars", namely human resources, capital and incubation, tech infusion, building the ecosystem and domestic consumer leverage.Raghuram Rajan (2015), sounded a word of caution about the new government's 'Make in India' campaign that assumes an export-led growth path of China and said instead

it should be 'Make for India' that will produce for the internal market. Swaminathan (2014) stated that the central government came to power by promising rapid economic growth that delivers millions of jobs. To achieve this, the government has devised a 'Make in India' policy. Launched with a blaze of publicity, it seeks to make India a manufacturing giant and attract investors. It aims to raise the share of manufacturing in GDP from the current 13-14% to 25%. The Government is envious of the rise of China as a manufacturing giant. India has lagged far behind for decades, and the government wants India to catch up. Baljayant Jay Panda (2014) stated that the launch of the ambitious 'Make in India' campaign to promote manufacturing in India could not have been more timely, coming as it does in the wake of the death of two iconic brands, Ambassador cars and HMT watches. The World Bank in its 2014 rankings on the ease of doing business, puts India at 134thout of 189 countries. While investments of all sorts have long had to contend with this landscape, the manufacturing sector has been especially penalised. With manufacturing contributing only 16% of India's GDP-a third of China's, and far lower in absolute terms – it is clear that this sector is not pulling its weight. Sriram Ramakrishnan (2014) stated that India has its own share of environmental problems and they have only multiplied in recent years due to neglect and the excesses caused by crony capitalism. The World Bank estimated last year that environmental degradation was costing Indian economy $80 billion, or 5.7% of its annual GDP. A World Health Organisation (WHO) study found this year that Delhi suffered from the worst air pollution in the world. Our attempts to revive manufacturing should not cause us to repeat mistakes of the past or those made by others.Editor (2015) many countries have done much to secure 'manufacturing hub' status and failed. In India's case two possible obstacles immediately come to mind. The first is woefully inadequate availability of infrastructure and transport and communication facilities. Secondly, externally, this is not the best time to go for export-led growth given the recession in most of the world's developed economic.Few expert's opinion prove contradictory towards make in India. Based on the above various problems expressed by different people and since so far no attempt is made in Vellore district, Tamil Nadu. The present research study will fill the research gap to certain extent.

Objectives of the study

Based on the literature review and research gaps identified, the major objectives of the present study are as follows.

1. To study the demographic profile of the respondents.
2. To ascertain the budding entrepreneurs perception towards Make in India.

Hypothesis

1. Ho1. There is no significant association between genders with budding entrepreneur's perception towards Make in India.
2. Ho. There is a significant association between genders with budding entrepreneur's perception towards Make in India.

Methodology of the study

This study is exploratory in nature. Both primary and secondary data were collected for the study. Simple random sampling technique was used for the collection of data in Vellore district. A total of 100 samples were collected from MBA students from the total population. Only 92 samples were taken for analysisand remaining 8 samples were not considereddue to incompleteness. A structured questionnaire was framed and collected through direct survey method. The questionnaire contains two sections. First section deals with personal details and the second section deals with the various parameters relating to the perception of budding entrepreneurs towards make in India by using Likert's scale.SPSS version 16 software was used to analyse the data and statistical tools like frequency distribution, percentage analysis, factor analysis and one way anova were used to inference the data.

Test of Reliability and Validity

In order to know the internal consistency among variables, Cronbach's alpha value for reliability is measured. The variables value are 0.991, which is considered as reliable. Values of Cronbach's alpha and items selected for the study are given in table 2. Construct validity (Convergent and discriminant) is checked through factor analysis.

TABLE 2. Description of items and reliability (Cronbach's alpha)

Construct	Measurement items
Make in India: Perception of budding entrepreneur 0.991	
M1	More employment opportunities for young entrepreneurs
M2	Easy to get world infrastructure of business (power, distribution, road, ports and communication)
M3	Facilitates cross-border movement of technology
M4	Facilitates movement of capital goods
M5	Liberalizing trade and investment regulations
M6	Offering concessions to foreign investors
M7	Easy to get land for industry/factory
M8	Easy to get credit from banks for new business
M9	Low cost manufacturing base for global capital
M10	Flexible in implementing environmental regulations

Source: Primary data

Limitations of the Study

This study was conducted only in Vellore district of Tamil Nadu and the sample size was restricted to 92 respondents. The opinion given by the respondents for the study may not reflect the same or not universal if it is conducted in some other states of India. The primary data was collected through

news paper, magazines and journals only. The study period is resticted to nine months ie., from October, 2014 to June 2015.

Demographic Profile of the Study

The data pertaining to demographic profile of the respondents were given in table 3.

TABLE 3. shows the demographic profile of the respondents.

Parameters	Category	Frequency	Percentage
Course	MBA	68	74
	MBA (IB)	24	26
	Total	92	100
Gender	Male	51	55
	Female	41	45
	Total	92	100
Native	Rural	34	37
	Urban	58	63
	Total	92	100

Source: Primary data

The majority of the respondents (74%) were students from MBA programme and (26%) of the respondents were from MBA (International Business) programme. Regarding gender, 55% of the respondents were male, followed by 45% females. With regard to native, 37% of the respondents were from rural area and 63% of the respondents were from urban area.

Analysis and Discussion

Exploratory Factor Analysis (EFA) was applied on the data to validate the perception of budding entreprenuers towards make in India. Table 4 shows that ten mearure were used to form make in India constructs and six measures to form perception towads make in India.

TABLE 4. Measures of Perception of budding entreprenuers towards make in India

Construct/ Measures	Factor Loadings	% of variance Explained	Communalities	Cronbach's Alpha	Mean
M1	0.940	92.875	0.884	0.991	4.17
M2	0.967		0.934		3.79
M3	0.969		0.940		3.75
M4	0.962		0.926		3.82
M5	0.966		0.933		3.69
M6	0.959		0.920		3.40
M7	0.953		0.908		3.36
M8	0.978		0.957		3.55
M9	0.974		0.949		3.69
M10	0.968		0.936		3.59

Source: Authors' calculation, Extraction Method: Principal Component Analysis.

The suitability of EFA was checked using Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO=0.941), which is greater than the rule of thumb 0.60 (Tabachnik and Fidel, 2001) and Bartlett's testof sphericity is significant, which means that the items included in the scale do have a correlation with each other (approx. Chi-square = 2046.13, df – 45, p <0.000**.**Thus, factor analysis was found to be an appropriate technique for construct validity. After ensuring the suitability of the data for factor analysis, Principal Component Analysis (PCA) was employed for extracting the factors. Only one factor with Eigen value greater than one were extracted. The extracted factors were then rotated using the widely used Varimax Rotation Method (VRM). The communalities of the 10 original measures ranged from 0.884 to 0.957, which indicates that the variance of the original values was captured fairly well by the factor (Ajimon George, 2013). The rotated factor loadings along with the percentage of variance explained by factor are given in Table 4. The most influencing and naming factor "Opportunities for budding entrepreneurs" comprised nine items and the total percentage of variance explained was 92.875. This factor had an Eigen value of 9.28. The items, M1, M2, M3, M4, M5, M6, M7, M8, M9, and M10 loaded on this factor. It is worthwhile to see that all variables relating to perception of all MBA budding entrepreneurs towards make in India have positive opinion on this.

One-way Anova

In addition to the above exploratory factor analysis and further to address the second objective of this study the researchers applied one way anova in order to identify the significant relationship between gender (independent variable) with ten parameters (dependent variables) relating to the perception of budding entrepreneurs towards making in India. The data pertaining to one way anova were given in table 5.

TABLE5. One way Anova

Parameter	F-value	Sig.
M1 More employment opportunities for young entrepreneurs	128.277	0.00*****
M2 Easy to get world infrastructure of business (power, distribution, road, ports and communication)	166.489	0.00*
M3 Facilitates cross-border movement of technology	143.880	0.00*
M4 Facilitates movement of capital goods	133.424	0.00*
M5 Liberalizing trade and investment regulations	213.915	0.00*
M6 Offering concessions to foreign investors	123.564	0.00*
M7 Easy to get land for industry/factory	122.618	0.00*
M8 Easy to get credit from banks for new business	264.840	0.00*
M9 Low cost manufacturing base for global capital	233.125	0.00*
M10 Flexible in implementing environmental regulations	206.512	0.00*

Source: Primary data, ****** *Significant at the 0.05 level.*

The results of variance analysis (one-way anova) reveal statistically significant association (null hypothesis is not accepted) between genders and all the ten variables relating to perception of budding entrepreneurs towards make in India. Thus, make in India a manufacturing hub campaign will attract foreign investors so as to enable 'Make in India' initiative a successful one for manufacturing led job creation and economic growth. It is interesting to note that all the calculated variables is less than the hypothetical value (P value = 0.00 < 0.05).

Epilogue

This study explains the importance and perception of budding young entrepreneurs towards make in India a manufacturing hub campaign will help the government for opening more investment doors to foreign institutional investors. India is the world largest democracy and is well known to the world which is slowly becoming the world's most powerful economy. This present study concludes that, the new economic policy of the present government in its first year has been focused on reforms, infrastructure, ease of doing business to get more foreign investment for manufacturing sector growth-led job creation, improvement in standard of living, economic growth, eradicate poverty, control of influence and unemployment can be resolved. To conclude this, the biggest beneficiary of this initiative will be the people of tomorrow.

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