

MAKE IN INDIA CAMPAIGN; THE PROSPERITY OF SMALL SCALE INDUSTRIES IN KARNATAKA

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Abstract: *Make in India – it is the environment creation that makes our industries to compete with the rest of the world, and encourage overseas producers to come to take benefit of our environment to create jobs in India. It is also to fix the economy of demand and investment cycle in particular. The intention of Govt. is to boost domestic manufacturing and create new jobs with respect to introduction of policy changes on micro, small and medium enterprises (MSMEs); While Government's invitation to international companies to make investment. The survey and research is another initiation from Govt. to assimilate different regions and sectors within India to overcome region specific problems inhibiting domestic enterprises deserves equal consideration. The opinion of analyst, industry experts is the Make in India will help the small scale sectors. Despite of the economic slowdown in recent years the India's MSME sector has recorded more than 10%. Minimum 8% of GDP contribution will be from MSME with employing capacity more than eight crores people while*

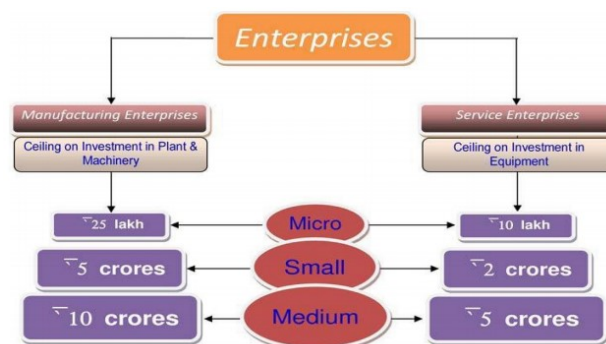
40% of manufactured is exported from India. So we can say Govt. will focus on MSMEs is reasonable.

Keywords: *Make in India, MSME, Domestic Manufacturing, Economy of India*

INTRODUCTION

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly active and dynamic sector of the Indian economy over the last five decades. MSMEs plays a crucial role in providing large employment opportunities at comprehensively low capital cost compared to big industries and help in industrialization of rural India, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country.

Fig 1: classification of industries



Source: industrialproperty.co.in

Productivity has to emerge as a new national priority with the campaign Make in India, where the efforts of all converge to accelerate the process of economic growth, protect environment and

raise the standards of living of our people. Our business organizations will have to improve their performance to ensure their survival and growth in a fiercely competitive world. So with the sole intention is to increase manufacturing and at the same time to develop India as a global manufacturing hub.

The main objectives are

- To examine the growth of MSME the success story of Make in India
- To study the challenges of Make in India in terms of MSME

The campaign promises to provide a great quantity of investment opportunities to the business houses. It is an initiative to encourage overseas investors by encouraging them to identify the segment of their production process within India's national boundaries and facilitate cross border movements of capital goods, processed goods, and technology as well as intermediate goods.

The very slow escalation of manufacturing sector has been a serious concern leading low employment generation. The performance has been downhill growth recorded from 9.7% in 2011-12 to 1.8% in 2013¹. The contribution of the GDP has been around 15% which is extremely low compared to China's 34% and Malaysia's 24%.

On the other hand, the most bothersome trend now in India is that the manufacturing sector is experiencing a rising output but thinning value added in its total output. Many export-oriented

sectors to name textiles and clothing witness similar trend. To put it simply, the Indian manufacturing sector is deteriorating labour productivity and declining share of the sector in nation's GDP. Therefore, even if manufacturing output grows and export rises, there can be no production linked gains like employment generations, technology up gradation and skill development unless domestic value added rises.

The improvement will come about only if we focus on production of zero defect quality manufacturing, in a cost effective environment, and this must occur continuously, to create an advantage in the market place, which is what productivity is all about. Productivity, thus, will have to become a mass movement and to be put on the national agenda

For small scale sectors situations mentioned above will make more challenging to sustain in the global market. If big business houses failed to gain position in the global chain, it will automatically impact small scale sectors whose by-product are used in big houses.

Further, the challenge vary with respect to the existence of micro and small scale enterprises and large scale enterprises, the role of the micro and small scale enterprises is left unclear. But it is time to see how micro, small and medium enterprises in rural India can be force multiplier. Whenever anyone mentions the word rural what springs in mind is farming. But more than 65 percent of rural labour is engaged in non-farm livelihood activities. The majority of rural labour is unwillingly engaged in low skill, low paid, low level jobs. The Make in India campaign seems to be focused on big industries in big cities. It is a call for improvement to synergy between Make in

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http://planningcommission.gov.in/aboutus/committee/wrkgrp12/wg_invest1807.pdf

India and Make in Rural India. One of the major development challenges before us is to create an enabling

environment for the growth of micro-small-and medium sized manufacturing service enterprises in rural areas. This is the only sustainable way to provide better quality jobs to our rural youth.

Karnataka is one of India's fastest growing states, having a strong industrial base and a vibrant service sector. The State has a large industries well supported by a strong base of micro, small and medium sector. Due to inherent advantages available in the State, the industry and trade sectors including the service sector are boosting the overall economic development of Karnataka.

Karnataka have the 30 districts while nearly 69% of the population lives in rural areas, urbanization is fast increasing. It has emerged as the 'Knowledge Hub of Asia'. The healthy climate, vast natural resources, practical and growth-intensive Government policies provide the State an edge over other states. There are over 700+ Multinational Companies (MNCs) which are bring in the advantages by making Karnataka their home.

Out of the 30 districts the most industrially developed cities of Karnataka are Bangalore, Mangalore, Belgaum, the twin cities of Hubli and Dharwad, Chitradurga, Bellary etc and they are main districts where MSMEs are thickly concentrated.-

Table 1: Populus cities of Karnataka

City	Population (census 2011)	Industries
Bangalore	84.25 lakhs	Information technology, and petroleum products, iron ore and minerals, silk products, gems and jewellery, plastic goods, basic chemicals, pharmaceuticals and cosmetics etc
Belgaum	42.15 lakhs	foundries and hydraulic equipment, food grains, sugarcane, cotton, tobacco, oil seed and milk products
Mangalore	4.84 lakhs	cargo handling coffee exports, betel nut and the cashew nut major IT industries, oil and petrochemical plants and reserves
Hubli-Dharwad	9.43 lakhs	3000 SMEs operating in engineering items and subsidiary agricultural industries such as pickles, cotton ginning
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Source: www.citypopulation.de 2019-04-19

GOVERNMENT ASSISTANCE through Make in India

- a. Technical assistance: The Technical assistance and guidance are required from experts with respect to these industries, study their problems on the spot and give technical assistance and guidance.
- b. Assistance for obtaining raw materials
- c. Cash Assistance: Government provides cash assistance. Similarly, it is possibly dream come true if overseas look forward to invest with the help of initiative processes of Govt. of India.
- d. Supply of plant and machinery: The diversified technological up gradation as per global standards.
- e. Marketing Assistance: This assistance is very important for a small scale unit. The objectives of this programme are to ensure fair margin to producers of goods, to maintain standardization and quality control with testing facilities, to market products under the common brand name, to provide GDP growth on exports.

Over the years Indian MSME manufactures items like readymade garments, leather goods, processed food, engineering items, and sports goods have captured a sizable share of global markets, but lot more need to be achieved.

All the sector needs an enabling environment for business. One of the ways is to provide better infrastructure to address the problems

of production and market linkages. Micro, small and medium sized enterprises are more constrained than large ones in the establishment and running of their businesses. Removing those constraints will make them competitive. Therefore, the national manufacturing policy should help these entrepreneurs explore linkages

with large scale manufacturing. The objective should be to establish strong linkages between micro enterprises and big industries in manufacturing zones. Large scale initiatives such as in the upcoming economic and industrial corridors should be viewed in this light.

The Make in India should create an enabling environment for developing strong linkages between smaller and big enterprises. Today India start-ups in the technology sector are making headlines all over the world. However, there is no news of Indian small and medium scale enterprises making a cut in terms of innovations. Having said that, it is to be noted that almost 84% of the total employment in the manufacturing sector in India is in micro and small scale enterprises and rest in the large enterprises (ADB 2009).

Moreover, the MSMEs are starved of funds and possess limited access to high level technology. In the list of the Make in India campaign, they are bound to face intense competition in international as well as domestic markets which can easily wipe out MSMEs. Thus it is clear that the benefits of Make in India strategy, if any, will be reaped by a small set of large domestic and foreign investors. It is clear that the success of the Make in India campaign is subject to lot of qualifications. In order to support Make in India theme, the SSI must have the ability to discover and key on to than one core competence and make it a keystone of their business to win the competition warfare. In that sense, the idea is to make the SSI what it should truly be a specialized skill industry and not a small scale industry which tends to define and indicate their business activity within self imposed constraints. Make in India movement could

facilitate business in analysing the current approaches in or more of the following functions and how they might make substantial improvement in them to achieve excellence in the way they do business in order to help them latch on to untapped potentials.

Incremental localisation effort required for products to be made in India and executing the strategy to accomplish the improvised product features that have greater appeal in the way they satisfy consumer needs/wants.

Implementation of innovative marketing strategy which allows for more effective promotion and awareness of the products in the export market too. Innovation in logistics and supply chain capability that helps fastens the delivery and support. Reengineering of manufacturing and /or other critical business processes for improvement in quality and time to market.

CONCLUSION: According to the world bank Update, a twice yearly report on the Indian economy and its prospects, India's economic growth is expected to rise to 7.5 percent in 2015-2016, followed by further acceleration to 7.9 percent in 2016-2017 and 8.0 percent in 2017-2018. However, acceleration in growth is conditional on the growth rate of investment picking up to 11 percent during FY2016-FY2018.

“The current situation offers an opportunity to further strengthen the business environment and enhance the quality of public spending. Continuous strong momentum in these reforms will further unleash the productivity that Indian firms need in order to create jobs and become globally competitive.” - said Onno Ruhl, World Bank Country Director in India

The Make in India campaign definitely enables us optimistically look at creating India into a manufacturing hub and the advantages being capital inflow, employment generation, better economy hence overall development, though this might lead to economic growth. Make in India program with its focus primarily on foreign investment and foreign capital to boost manufacturing industry will achieve its height if it is supplemented by the growth of so called unrecognized micro, small and medium enterprises. Traditional knowledge works primary for the institution of any industry which further transform into large scale industry due to invention and innovation. Thus MSME works as the base of the large scale industry. Promotion of MSME sector will help in flourishing of large scale industry which will help in reaching the goal the **MAKE IN INDIA**.

CONCLUSIONS

A conclusion section is not required. Although a conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extensions.

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