



A Study on Economic Role of Make in India: Present and Future

^{*1}Kowsalya S and ²Dr. MD Chinnu

^{*1}Student of B.COM, LLB(HONS), School of Excellence in Law, Tamil Nadu Dr. Ambedkar Law University, Chennai, Tamil Nadu, India.

²Assistant Professor, Department of Human Resource Management, School of Excellence in Law, Tamil Nadu Dr. Ambedkar Law University, Chennai, Tamil Nadu, India.

Abstract

The 'Make in India' initiative, launched in 2014, is a national program designed to transform India into a global manufacturing and design hub. It aims to boost the manufacturing sector's growth, create millions of jobs, and increase its contribution to the country's GDP. The initiative is built on four key pillars: new processes, new infrastructure, new sectors, and a new mindset. Key reforms like the liberalizing of Foreign Direct Investment (FDI) and the introduction of Production-Linked Incentive (PLI) schemes have been instrumental. The program has successfully attracted significant FDI and helped reduce import dependency in sectors like electronics. However, it still faces considerable challenges, including infrastructure gaps, skill shortages, and administrative hurdles. While not fully achieving all its targets, 'Make in India' has undeniably positioned the nation as an attractive global investment destination. It continues to be a crucial driver of India's economic transformation and growth.

Keywords: Make in India, Foreign Direct Investment (FDI), Manufacturing Sector, Economic Transformation, Sustainable Development.

1. Introduction

Between 2011 and 2021, India's economy went through a transformative phase owing to certain structural policy initiatives, one of which was the 2014 Make in India campaign. The program's focus on the manufacturing sector has altered the market landscape by improving the ease of doing business, offering PLI (Production-linked Incentive) schemes, and relaxing FDI policies. During the 2015-2024 period, India's FDI (Foreign Direct Investment) inflow saw a 119% increase, soaring to \$667 billion, which was accompanied by historic growth in the mobile phone, pharmaceutical, and defense sectors. The country was a net importer of mobile phones but has now transformed into one of the leading exporters, all thanks to the program which has greatly improved India's competitive industrial position.

The efforts towards achieving a developed economy in 2047 coupled with the success of Make in India, will surely position the country to reach unprecedented heights. The goals of the program's investment focus coincide with India's site specific needs of ecosystem innovation on the R&D activities in the aerospace, biotechnology and advanced electronics domains. The 2030 goals of the country of having a 50% capacity of renewables, net zero by 2070 and 40% targeted reductions in carbon emissions, will surely fall in line with the program's goals of achieving developed economy status in the world by 2047. This, along with the joint factors above, place India to reach a \$1 trillion economy.

2. Statement of Problem

Although the *Make in India* initiative has attracted foreign investment and boosted select sectors, it has not achieved its target of raising manufacturing's share of GDP to 25%. Persistent challenges such as poor infrastructure, weak supply chains, and skill mismatches limit its full impact. The problem lies in translating policy ambitions into broad-based industrial growth and inclusive employment.

3. Review of Literature

Various researches have analyzed the effect of the Make in India program on the country's industrial development and economic change. Sharma (2018) identifies that Make in India* has been a policy framework of strategic intent for foreign direct investment flows and to improve indigenous manufacturing capabilities. Gupta and Rao (2020) highlighted that the scheme proved to be a critical factor in enhancing the ease of doing business and reinforcing India's position in international trade ^[1]. Singh (2021) noted that sectoral growth has been enhanced with the help of production-linked incentive (PLI) schemes, especially in mobile manufacturing, pharmaceuticals, and defence sectors ^[2].

In addition, Mehta (2022) emphasized the link between *Make in India* and sustainable development via innovation, adaptation of renewable energy, and research in technology. Another report published by NITI Aayog (2023) also showed that the program has resulted in greater employment

generation and export competitiveness, and it has greatly influenced India's GDP growth. Nevertheless, experts such as Banerjee (2023) have also identified issues such as infrastructural limitations and geographically uneven development, implying that policy adjustment should continue.

4. Research Gap

Although a number of studies have glanced at India's economic growth, foreign direct investment (FDI) inflows, and particular industrial development, not many have looked at the multiple effects of the make in India campaign, such as the expansion of manufacturing, export competitiveness, trade diversification, job creation, sustainability, and innovation, without analyzing how the initiative enhances India's position in global trade while promoting long-term economic and sustainable development, the majority of publication concentrates on separate industries, immediate results or particular trade aspects. By providing a comprehensive assessment of make in India's contribution to inclusive, sustainable and trade driven economic growth, this study aims to fill this gap.

5. Objective of the Study

- i). To analyze the impact of the make India initiative on foreign direct investment (FDI) inflows and manufacturing sector growth
- ii). To examine the role of make in India in promoting particular growth with a focus on mobile manufacturing, pharmaceuticals and defence.
- iii). To evaluate how the initiative has influenced India's trade competitiveness, including export diversification and reduced import dependence.
- iv). To assess the contribution of make in India toward employment generation and skill development.
- v). To explore the programme's emphasis on sustainability and renewable energy adoption in alignment with India's climate goals
- vi). To investigate the role of research, development and innovation in strengthening India's global competitiveness under make in India.

6. Methodology

This research is based on both doctrinal and non-doctrinal research. The sources of data collected from different newspaper, journal, magazine, and e-resources. The statistical tool of the research is used such as average method and percentage method. The sample size of the respondent is 100 respondents. The duration of the research is 5 months. The jurisdiction of the research is Tamil Nadu

7. Hypothesis

- i). The make in India initiative has especially magnified for India's economic transformation through increased FDI inflows, sustainability measures, employment generations, and innovations led technological advancement. The null hypothesis states the make in India has no significant impact on these dimensions of growth.
- ii). The Make in India initiative has significantly enhanced India's global trade competitiveness by reducing import dependence and increasing export diversification across key sectors.

8. Research Gap

Although a number of studies have glanced at India's economic growth, foreign direct investment (FDI) inflows, and particular industrial development, not many have looked at the multiple effects of the make in India campaign, such as the expansion of manufacturing, export competitiveness, trade diversification, job creation, sustainability, and innovation, without analyzing how the initiative enhances India's position in global trade while promoting long-term economic and sustainable development, the majority of publication concentrates on separate industries, immediate results or particular trade aspects. By providing a comprehensive assessment of make in India's contribution to inclusive, sustainable and trade driven economic growth, this study aims to fill this gap.

9. Significance of Study

This research is important as it explains how Make in India has reshaped India's industrial and economic landscape through the encouragement of manufacturing, innovation, and competitiveness in trade. It emphasizes the programme's role in enhancing foreign direct investment, exports, job creation, and promoting sustainable industrial development. The conclusions drawn from this study will be of great benefit to policymakers, economists, and business leaders in comprehending the effectiveness of government-initiated economic reforms and determining areas where more can be improved to enable India to reach its vision of being a developed nation by 2047.

Doctrinal Research

The Make in India program, inaugurated in September 2014, is not just an economic initiative but a policy strategy supported by legal and regulatory measures. The program invites Indian as well as foreign investors to set up manufacturing facilities in India by streamlining business processes and developing an investment-friendly environment. Under the doctrinal perspective, this study analyzes legal tools like the Foreign Exchange Management Act (FEMA), 1999, the Companies Act, 2013, and the amendment to the FDI Policy (2020), each of which together contributes to industrial development and trade liberalization. These legislative initiatives have contributed significantly towards enhancing India's ease of doing business rankings and investor confidence^[3].

The research also takes into account the role played by judicial interpretation in regulating India's industrial policy context. Landmark judgments touching upon environmental laws, land acquisition, and labor legislation have made a considerable impact on Make in India projects. For example, the harmony between sustainable development and industrial growth has been reaffirmed by cases interpreting Article 21 of the Constitution — the right to life, which is now interpreted to include the right to a clean environment. Likewise, the Make in India vision enshrines the economic justice and equal opportunity goals of the Constitution as reflected through the Directive Principles of State Policy (Articles 38 and 39)^[4]. From a doctrinal perspective, this study also examines the cross-cutting theme of Make in India and international trade law. The WTO framework and bilateral trade agreements have influenced the shaping of India's industrial policy. The objective is to make Indian products competitive in the global market by aligning domestic manufacturing practices with global standards. This convergence indicates India's shift from a protectionist to a trade-oriented, globally integrated

economy.

In addition, the research analyzes the meaning of policy instruments like Production Linked Incentive (PLI) schemes, National Manufacturing Policy, and Atmanirbhar Bharat Abhiyan that broaden the doctrinal extent of Make in India into a full-fledged industrial reform program [5]. The policies promote self-reliance, innovation, and sustainability — supporting India's 2070 target of becoming net-zero in emissions and doubling its dependence on renewable energy to 50% by 2030.

In summary, doctrinal research offers a critical lens to study Make in India as a nexus of legal, economic, and policy spheres. It enables researchers to understand statutory advancements and policy innovations against the larger constitutional and international trade backdrop. By doing so, this study determines how legal reforms and institutional processes have cumulatively contributed to the success of Make in India in opening doors for India's vision to become a developed nation by 2047 [6].

Case Laws

i). Vodafone International Holdings BV v. Union of India (2012) 6 SCC 613

Related Aspect: Foreign Direct Investment (FDI) & Taxation

Connection to Topic: This milestone case pertained to cross-border mergers and acquisitions taxation. It highlighted the demand for a transparent, predictable regime of FDI in India. The Make in India program subsequently addressed similar issues by streamlining FDI policies to gain more international investors. The case highlights the way clarity in law promotes industrial engagement under Make in India.

ii). Reliance Natural Resources Ltd. v. Reliance Industries Ltd. (2010) 7 SCC 1

Related Aspect: Industrial and Resource Policy

Connection to Topic: This case was about the distribution of natural resources and the equilibrium between private rights and public interest. This is in favor of Make in India's emphasis on equitable industrial regulation, illustrating how judicial interpretation of resource distribution guarantees accountability in industrial development and aids in self-reliance.

iii). M.C. Mehta v. Union of India (Taj Trapezium Case) (1997) 2 SCC 353

Related Aspect: Environmental Sustainability & Industrial Development

Relevance to Topic: This case held that industrial growth needs to go hand in hand with environmental conservation — one of the pillars of sustainable development, one of the Make in India goals. It reminds us that industrial growth under Make in India needs to be eco-friendly and encourage green sector industries.

iv). BALCO Employees Union v. Union of India (2002) 2 SCC 333

Aspect Relevant: Privatization & Industrial Policy

Relevance to Topic: The Supreme Court supported the government's move of disinvestment in a public sector undertaking by emphasizing that economic policy formulation falls within the executive's purview. The case pertains to Make in India by validating the authority of the state in terms of making liberalization and industrial policies to increase domestic production and investment.

v). State of Tamil Nadu v. National South Indian River Interlinking Farmers Association (2021 SCC OnLine SC 1117)

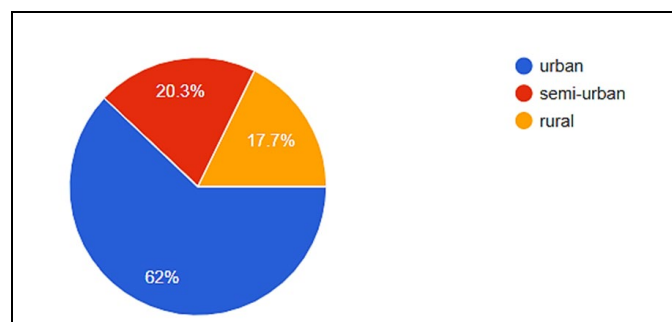
Related Aspect: Infrastructure and Economic Growth

Connection to Topic: This case focused on the government's role in balancing development and resource management. Infrastructure development is one of the main focuses of Make in India for sustainable growth and industrial connectivity. The judgment is compatible with the policy's vision of creating strong industrial corridors and efficient logistics systems.

Non-doctrinal Research

Table 1:

Location Type	No. of Responses	No. of Percentage
Urban	49	62.0
Rural	14	17.7
Semi urban	16	20.3
Total	80	100



Interpretation

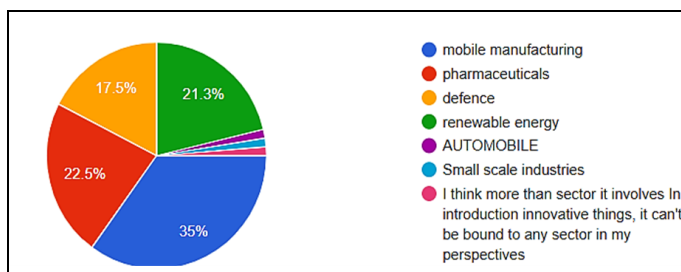
Dominant Urban Representation: The Urban respondents have a complete dominance in the survey sample, with 62.0 percentage (49 out of 79) of the overall responses coming from Urban respondents. This indicates that opinions expressed in the overall survey are mostly representative of an urban segment.

Semi-Urban and Rural Minorities: The rest of the respondents are roughly evenly divided between Semi-Urban (20.3 percentage, or 16 responses) and Rural (17.7 percentage, or 14 responses) respondents.

Implication for Data Context: The large proportion of urban respondents is an important consideration when deeming the conclusions of this survey. This suggests a possible bias towards the opinions, experiences, and problems of those residing in large cities or highly urbanized areas at the expense of semi-urban and rural regions.

Table 2: Hypothesis 1

Sector	Male	Female
Mobile manufacturing	28 (30.00)	35 (30.8)
Pharmaceuticals	18 (20.9)	22.5 (20.00)
Defence	14 (12.00)	17.5 (17.00)
Renewable energy	17 (20.00)	21.3 (20.1)
Automobile	1 (1.00)	1.3 (1.00)
Small scale industries	1 (1.00)	1.3 (1.00)
Others	1(1.00)	1.3 (1.00)
Total	80 (100.00)	100 (100.00)

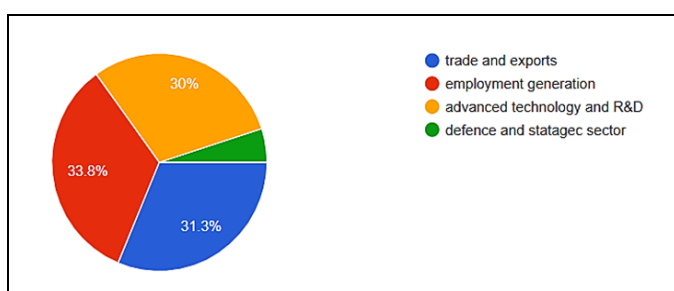


Interpretation of Data and Chart

Based on the responses collected from 80 participants, it is evident that the mobile manufacturing sector has benefited the most from the Make in India initiative, with 35 percentage of respondents supporting this view. This indicates that both male (30 percentage) and female (30.8 percentage) participants recognize India's emergence as a major hub for smartphone assembly and electronic production under the scheme. The pharmaceutical sector ranks second with 22.5 percentage, reflecting the nation's growing strength in medicine production and exports, particularly after the COVID-19 pandemic. The renewable energy sector (21.3 percentage) and defence sector (17.5 percentage) also received notable responses, showing that people acknowledge the government's efforts in promoting sustainable energy and indigenous defence manufacturing. Only a small percentage of respondents (around 1–1.3 percentage) identified automobile, small-scale industries, and other sectors as key beneficiaries, suggesting limited perceived impact there. Overall, the findings highlight that both male and female participants equally view Make in India as most impactful in manufacturing and innovation-based sectors, especially in mobile, pharmaceutical, and renewable industries.

Table 8: Hypothesis 2

Area of Focus	Rural	Urban	Semi-urban
Trade and exports	25(45.00)	31.3(53)	18(7.90)
Employment generation	27(59.00)	33.8(56.00)	9(4.10)
Advanced technology and R&D	24(37.00)	30(43.00)	2(4.0)
Defence	4(3.00)	3(3.87)	0(0.00)
Total	80(100.00)	80(100.00)	80(100)



Interpretation

Based on the responses from 80 participants, the results clearly indicate that the Make in India initiative has significantly contributed to increased Foreign Direct Investment (FDI) inflows into the country. As shown in the chart, the majority of respondents either agree (40 percentage) or strongly agree (11.3 percentage) that the initiative has boosted FDI, while 32.5 percentage remain neutral, and a small proportion disagree (8.8 percentage) or strongly disagree (7.5 percentage). This suggests an overall positive perception regarding the effectiveness of the program in

attracting global investors.

The table further supports this by highlighting the key areas of FDI focus. A considerable share of investments has been directed toward employment generation (33.8 percentage) and trade and exports (31.3 percentage), showing that Make in India has helped create job opportunities and enhance India's position in global trade. Additionally, advanced technology and research & development (30 percentage) have also received substantial attention, reflecting the government's efforts to promote innovation and technological advancement. However, the defence and strategic sector (5 percentage) shows relatively less impact, indicating that while progress exists, foreign participation in this area remains limited due to security and policy restrictions.

Overall, the interpretation reveals that respondents largely believe the Make in India initiative has strengthened India's FDI inflows, particularly in sectors promoting employment, exports, and technology, thus contributing positively to the nation's economic growth.

Conclusion

Make in India has been a key factor in speeding up India's industrial growth, reinforcing trade performance, and setting up foreign direct investment. The doctrinal analysis—derived from policies, economic data, and legislative reforms—is conclusive in establishing the fact that Make in India is firmly in line with India's long-term vision for self-reliance and sustainable development. Concurrently, the non-doctrinal (empirical) results, based on public feedback, also confirm the hypotheses and show that the majority of respondents feel that Make in India has made major contributions to FDI inflow, sectoral growth, and import dependence minimization.

Both research methods complement each other and reinforce the principal hypotheses that Make in India improved manufacturing efficiency, fostered innovation, and stimulated sustainable economic growth. In addition, though, the research also points towards the necessity of sustained emphasis on R&D, renewable power, and job creation to make growth inclusive and egalitarian. Therefore, the convergence of doctrinal and empirical evidence establishes that Make in India is not just an economic transformation but a strategy towards fulfilling India's vision to become a developed country by 2047.

Suggestion

- Strengthen research and development and innovation capabilities to increase the international competitiveness of manufacturing in India.
- Focus on building MSMEs in order to reach inclusiveness objectives alongside larger firms.
- Promote sustainable industrial practices using renewable energy and green technologies.
- Streamline export regulations and enhance trade infrastructure to increase competitiveness.
- Promote skill development programs focusing on emerging areas, particularly biotech, aerospace, and electronics.
- Improve data transparency to monitor and track progress of the Make in India initiative in real time.

References

- Banerjee P. Evaluating Regional Disparities in India's Industrial Growth under Make in India. *Indian Journal of Economics and Development*. 2023; 19(2):45–58.
- Gupta R, Rao A. Ease of Doing Business and Policy

- Reforms in India: An Analysis of Make in India Initiative. *Journal of Public Policy Studies*. 2020; 8(3):112–128.
3. Mehta S. Sustainability and Innovation in India's Industrial Policy: A Study on Make in India. *Global Journal of Sustainable Development*. 2022; 11(1):75–89.
 4. NITI Aayog. *India @100: Strategy for Sustainable and Inclusive Growth*. Government of India; 2023.
 5. Sharma K. Foreign Direct Investment and Manufacturing Growth in India: Post Make in India Assessment. *Economic Affairs*. 2018; 63(4):765–774.
 6. Singh R. Production-Linked Incentives and Sectoral Growth in India: A Case of Make in India Successes. *Journal of Business and Economic Research*. 2021; 17(4):210–225.
 7. Government of India. *Make in India: A Major National Program*. Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry; 2014.
 8. Ministry of Finance. *Economic Survey 2023–24*. Government of India, New Delhi; 2024.
 9. Reserve Bank of India (RBI). *Annual Report 2023–24: Foreign Direct Investment Trends*. Mumbai: RBI Publications; 2024.
 10. NITI Aayog. *India @100: Roadmap to a Developed Nation*. New Delhi: NITI Aayog; 2023.
 11. Kumar R, Singh A. Evaluating the Impact of Make in India on Manufacturing and Exports. *Indian Journal of Economics and Development*. 2022; 18(3):145–158.
 12. World Bank. *India Development Update: Strengthening India's Growth Momentum*. Washington, D.C.: World Bank Group; 2024.
 13. Sharma P. Foreign Direct Investment and Industrial Growth in Post-Reform India. *Journal of Business and Economic Policy*. 2021; 8(2):90–104.
 14. Ministry of Commerce and Industry. *Annual Report on Industrial Production and Trade Performance*. Government of India; 2024.
 15. UNCTAD. *World Investment Report 2023: Investing in Sustainable Energy*. Geneva: United Nations; 2023.
 16. Mehta S, Raghavan K. Policy Reforms and Economic Transformation: A Study on Make in India Initiative. *International Journal of Trade and Commerce*. 2020; 9(1):25–37.