

# Make in India, Start-up India, Stand Up India: Understanding issues related

**Ms. Minakshi Sehrawat**  
Assistant professor, APIIT, SD, India  
Email - minakshi19@gmail.com

**Abstract:** *The government launched "Make In India" initiative which aims at promoting India as an investment destination and to establish India as a global hub for manufacturing, design and innovation. The initiative aims to provide favorable environment to the business community so that they can devote their resources, efforts and energy in productive work. A number of steps have been taken by the government to improve the ease of doing business in the country. Rules and procedures have been simplified and a number of products have been taken off licensing requirements. The Department of Industrial Policy & Promotion (DIPP) worked with a group of highly specialised agencies to build brand new infrastructure, including a dedicated help desk and a mobile-first website that packed a wide array of information into a simple, sleek menu. Government has opened up a number of sectors for FDI.*

*The Stand up India Scheme is being launched to promote entrepreneurship among people from schedule caste/schedule tribe and woman who will be provided loans starting from Rs 10 lakhs to Rs 100 lakhs.*

**Key words:** *Make in India, Start-up India, Standup India, Business, and Industry.*

## 1. ABOUT MAKE IN INDIA PROGRAM: BACKGROUND:

The Make in India initiative was launched by Prime Minister in September 2014 as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity. India's 1.2 billion citizens questioned whether India was too big to succeed or too big to fail. India was on the brink of severe economic failure.

## 2. OBJECTIVE:

- Understanding the major initiatives with respect to manufacturing.
- Steps taken by government to strengthen secondary sector.

## 3. PROCESS:

Make in India was launched by PM against the backdrop of this crisis, and quickly became a rallying cry for India's innumerable stakeholders and partners. It was a powerful, galvanising call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world. But, Make in India is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of out-dated processes and policies. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

## 4. PLAN:

To start a movement, a strategy is needed that inspires, empowers and enables in equal measure. Make in India needed a different kind of campaign: instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most importantly, credible. It had to (a) inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large; (b) provide a framework for a vast amount of technical information on 25 industry sectors; and (c) reach out to a vast local and global audience via social media and constantly keep them updated about opportunities, reforms, etc.

## 5. PARTNERSHIPS:

The Make in India initiative has been built on layers of collaborative effort. DIPP initiated this process by inviting participation from Union Ministers, Secretaries to the Government of India, state governments, industry leaders, and various knowledge partners.

Under this initiative, the Government intends to provide a robust infrastructure to business through development of various facilities and institutions. Government also aims at developing industrial corridors and smart

cities to provide a conducive working environment with state-of-the-art technology. Efforts are being made to provide skilled manpower through a national skill development programme. Innovation is encouraged through better management of patent and trademarks registration.

Government has opened up a number of sectors for FDI. The Policy in defence sector has been liberalized and FDI cap has been raised from 26% to 49%. 100% FDI has been allowed in defence sector for modern & state of the art technology on case to case basis. 100% FDI under automatic route has been permitted in construction, operation and maintenance in Rail Infrastructure projects. Further, liberalization norms for Insurance and Medical Devices has been done. 'Make in India' program represents an attitudinal shift in how India relates to investors; not as a permit-issuing authority, but as a true business partner. An Investor Facilitation Cell has been created in 'Invest India'. A dedicated team of the Investor Facilitation Cell is there to guide and assist first-time investors.

It is time for India to focus on building competitive advantage on global scale in sectors where we have a large domestic market and certain inherent capabilities. Strategy is all about making choices. **The top five priority industries are- Defence, electronics hardware, construction, health care and agro-industries.** However, for India to become a manufacturing nation, it has to quickly move beyond rhetoric to create a clear strategy and favourable policy environment for manufacturing to take off. The government has chosen to quietly dismantle the sclerotic National Manufacturing Competitiveness Council (NMCC) but it needs to foster a more vibrant think tank in its place. A close dialogue and partnership between government and the private sector, both domestic and foreign, is critical. Indian companies along with Chinese, Japanese, German, American and Swedish companies are all vital partners and we must create an environment that is open and welcoming.

In many of the Indian industries, people insist for manual skill because they apprehend that adoption of advanced technology will result in redundancy of human resource, which is abundantly available in India. As such they resist the change and introduction of new technology. However, technology driven processes with minimum human intervention will guarantee manufacturing excellence. From technological point of view India is lagging behind the western world, as far as manufacturing is concerned. Experts say, India is still about a decade behind advanced countries, when it comes to usage of technology and manufacturing excellence. But this situation can be turned to our advantage. The country can learn from the mistakes of the western world and try to adopt the best ever technology in the years to come.

Make in India necessarily involves the drive to boost the manufacturing sector. However, the investors are wary of prevalent labor laws and bureaucratic hassles in India and as such, unless conducive atmosphere is created on these fronts the investments will not come as expected and Make in India drive will not accomplish desired results. In order to make this initiative a great success, we need to be at par with the advanced world as far as usage of modern technology is concerned and we need to have more clarity, maturity and intensity on quality aspects of our products. Creating healthy business environment will be possible only when the administrative machinery is efficient. India has been very stringent when it comes to procedural and regulatory clearances. A business-friendly environment will only be created if India can signal easier approval of projects and set up hassle-free clearance mechanism. India should also be ready to tackle elements that adversely affect competitiveness of manufacturing. To make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country. India's small and medium-sized industries can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. The government has to chart out plans to give special sops and privileges to these sectors. India must also encourage high-tech imports, research and development (R&D) to upgrade 'Make in India' give edge-to-edge competition to the Chinese counterpart's campaign. To do so, India has to be better prepared and motivated to do world class R&D. The government must ensure that it provides platform for such research and development.

## 6. START-UP INDIA & STAND UP INDIA:

Startup India campaign was launched on 16th January 2016 to promote bank financing for start-up ventures to boost entrepreneurship and encourage start-ups with jobs creation.

Standup India was launched on 5th April 2016 to support entrepreneurship among women and SC & ST communities.

The economy of any country depends on its countrymen. Larger the number of employed or working people, better be the economy. The Indian government realized that Indian people have the potential to work hardily, all they need is, a promising start up. Many people dream of starting up their own business, but due to financial or other similar issues are unable to do so. So, Indian govt. in the leadership of Narendra Modi has decided to offer a gift as a nation wise program- "Start Up India".

*"Start Up India" is a revolutionary scheme that has been started to help the people who wish to start their own business. These people have ideas and capability, so the government will give them support to make sure they can implement their ideas and grow. Success of this scheme will eventually make India, a better economy and a strong nation.*

## 7. START UP INDIA SCHEME – FROM JOB SEEKERS TO JOB CREATORS:

During his speech at the event, Mr. Modi said that we are trying to make the young job creators rather than job seekers. Technology is evolving with the pace faster than ever. This has given birth to various new businesses like E-commerce, internet marketing etc. So, there is a great scope of development in such areas. Those who plan to start new business are eligible to apply. Startup means an entity, incorporated or registered in India:

- Not prior to five years,
- With annual turnover not exceeding INR 25 crore in any preceding financial year, and
- Working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence. Provided also that an entity shall cease to be a Startup if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 5 years from the date of incorporation/ registration. Provided further that a Startup shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose

## 8. STAND UP INDIA:

Prime Minister Narendra Modi launched the ‘Stand up India’ scheme on April 2016 as part of the government's efforts to support entrepreneurship among women and SC & ST communities. The scheme offers bank loans of between ₹10 lakh (US\$15,000) and ₹1 crore (US\$150,000) for scheduled castes and scheduled tribes and women setting up new enterprises outside of the farm sector. Debit Card (RuPay) for withdrawal of working capital.

### Eligibility

1. SC/ST and/or Women entrepreneurs, above 18 years of age.
2. Loans under the scheme is available for only green field project. Green field signifies, in this context, the first time venture of the beneficiary in the manufacturing or services or trading sector.
3. In-case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
4. Borrower should not be in default to any bank/financial institution.

### Start Up India Stand Up India Scheme – Action Plan in Detail

- E- registration will be done. The application forms for start up India will be made available in April 2016
- A self certification system will be launched
- A dedicated web portal and mobile app will be developed
- Arrangement of self certificate based compliance
- No inspection during the first 3 years
- 80 percent reduction in the application fee of start up patent
- Easy exit policy
- Inclusion of Credit Guarantee Fund
- Relaxation in Income Tax for first three year
- Special Arrangement for Female applicants
- Introduction of Atal Innovation Mission. Innovation courses will be started for the students

## 8. CHALLENGES FACED BY GOVERNMENT:

- Fund- 10,000 crore rupees were allocated for this through SIDBI. But bank only puts 15% of total corpus while 85% is put by venture capitalists. VCs are required to get registered with SEBI.
- Partnered initiative- Government is partnering with NITs, IITs, IISERs and NIPERs to setup 75 start-ups. But reform in education is necessary to build entrepreneurship from the starting.
- Ease of doing business is promoted to generate business friendly environment. Still ranked 130 in World Bank Report.
- Single portal system was launched to avoid red tapism and lengthy process.

## 9. CONCLUSION:

India is ranked 132nd out of 185 economies in Doing Business 2013 by the World Bank. India's restrictions on foreign equity ownership are greater than the average of the countries covered by the Investing across Sectors indicators in the South Asia region and of the BRIC (Brazil, Russian Federation, India, and China) countries. India imposes restrictions on foreign equity ownership in many sectors, and in particular in the service industries. Sectors such as railway freight transportation and forestry are dominated by public monopolies and are closed to foreign

equity participation. With the exception of certain activities specified by law, foreign ownership in the agriculture sector is also not allowed. These restrictions need to be eased for making India better place for doing business. Infrastructure tops the list of most surveys on doing business in India. In particular, chronic deficiencies in transportation and power impose prohibitive costs and lower business competitiveness. Multiple enterprise surveys have identified electricity as the biggest constraint. Further, India lags behind on every measure of transport connectivity. Though there have been considerable recent successes spurred by private participation, much needs to be done. However, introduction of UDAY scheme is a good step in this regard. SC and ST community are still far behind to avail these facilities due to many problems like lack of education, social obligations, awareness etc. Gender bias leads gender-gap, according to NSSO only 14% established business are run by women entrepreneurs. But government initiatives like Startup India and Standup India are generating hope for better future by encouragement.

Sound macroeconomic policies are necessary to create a low-inflation, low-interest rate and high-growth environment that is essential for the country's global manufacturing competitiveness. Given the huge size and vast diversity of the country, a diagnostic for each state may be a more prudent strategy. In any case, instead of big-bang reforms, sustained efforts in multiple directions, which cumulatively generate large effects, are required to relax these constraints so that we can realise the goal of making in India

## REFERENCES:

1. (IBEF), I. B.: *MAKE IN INDIA*. New Delhi: IBEF. (May 2016).
2. DIPP. : *Startup india*. Chandigarh: GOI. (2016).
3. IANS.: *Make in India reports on textiles, telecom, auto sectors out* . NEW DELHI: The Economics Times. (25 Nov 2016).
4. Nidhi, S. (25 September 2015). *PM Modi's 'Make in India' turns one: All you need to know about the initiative*. Mumbai: DNA.
5. opinion, L.: *Startup-Indias-flaws-are-beginning-to-tell*. *Livemint*. ( 2017, January 20).
6. PTL. : *PM Modi to launch Stand up India scheme for loans to SC/STs, women on April 5*. (april 2016). Ambala: Firstpost.
7. Yadav, V. : *Make in India - The story so far*. *The Business Standard*. (2016, Feb 12).
8. Retrived from. <http://www.insightsonindia.com/2015/12/28/the-big-picture-challenges-for-make-in-india/>
9. Retrived from. <https://upsctree.com/2017/02/14/economy-watch-challenges-make-india-q-format-interview-nirmala-sitharaman-upsctree-summary/>

## WEB REFERENCES:

- <https://www.ibef.org/economy/startup-india>
- <https://www.standupmitra.in/>