

Make in India Initiative: An Overall Evaluation Using Secondary Data (2014–2025)

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Abstract: The *Make in India* initiative, launched by the Government of India in September 2014, represents one of the country's most significant industrial policy interventions aimed at transforming India into a global manufacturing hub. The initiative was introduced to encourage domestic and foreign investment, strengthen manufacturing competitiveness, create employment opportunities, improve infrastructure and enhance innovation. This research paper evaluates the overall performance of the Make in India initiative during the period 2014–2025 using secondary data collected from official government publications, World Bank databases, Reserve Bank of India reports, Economic Survey reports and academic literature. The study adopts a descriptive and analytical methodology to examine policy outcomes and structural challenges. Findings suggest that the initiative contributed positively to foreign direct investment inflows, improved India's international investment visibility, accelerated electronics manufacturing growth and encouraged business environment reforms. However, progress in significantly increasing manufacturing's contribution to GDP and generating large-scale employment has remained limited. Structural challenges such as logistics inefficiencies, infrastructure constraints, skill shortages, MSME productivity limitations, and dependence on imported components continue to affect industrial deepening. The study concludes that Make in India has been partially successful as a strategic industrial platform but requires stronger institutional execution, innovation capability, domestic value addition, and supply chain strengthening for long-term success.

Keywords: Make in India, Manufacturing, Industrial Policy, Foreign Direct Investment, Economic Development, India, Secondary Data.

1. INTRODUCTION

Industrialization has historically served as a major pathway for economic transformation and sustained national development. Countries such as China, South Korea, Germany, and Japan achieved significant economic advancement through strong manufacturing ecosystems capable of generating employment, exports, technological progress, and productivity growth. Manufacturing plays a critical role in structural transformation because it absorbs labour, encourages industrial diversification, and supports technological innovation.

India, despite possessing a large domestic market, abundant labour force, and entrepreneurial potential, has historically underperformed in manufacturing compared with other emerging economies. For several decades, India's growth model relied heavily on the services sector, while manufacturing failed to achieve the scale required for employment-intensive industrial transformation.

Recognizing this challenge, the Government of India launched the *Make in India* initiative on 25 September 2014. The primary objective of the initiative was to transform India into a global manufacturing destination by encouraging domestic production, attracting foreign direct investment (FDI), simplifying regulatory processes, strengthening industrial infrastructure, promoting innovation, and creating employment opportunities.

The initiative was designed not merely as a branding campaign but as a broad industrial policy framework supported by complementary reforms such as FDI liberalization, digital governance improvements, Goods and Services Tax (GST), insolvency reforms, logistics modernization, industrial corridor development, and later Production Linked Incentive (PLI) schemes.

The importance of evaluating Make in India has increased significantly due to global supply chain restructuring, geopolitical shifts, and India's ambition to emerge as a major manufacturing economy. After more than a decade of implementation, it is academically important to assess whether the initiative has delivered its intended outcomes. This study provides an overall evaluation of Make in India using secondary data from 2014–2025.

2. Objectives of the Study

The study has the following objectives:

1. To evaluate the overall performance of the Make in India initiative from 2014 to 2025.
2. To analyze trends in manufacturing growth and investment inflows.
3. To examine academic literature related to industrial policy and Make in India.
4. To identify major implementation challenges affecting policy effectiveness.
5. To provide evidence-based recommendations for strengthening manufacturing-led development in India.

3. Research Methodology

This study adopts a descriptive and analytical research design based entirely on secondary data collected from credible sources such as DPIIT, RBI, Ministry of Commerce and Industry, Economic Survey of India, World Bank databases, government reports, academic books, and peer-reviewed journals. The study covers the period from 2014 to 2025 to evaluate the implementation and outcomes of the Make in India initiative. Analytical methods including trend analysis, comparative interpretation, policy evaluation, and literature synthesis were used to assess the initiative's performance. However, the study is limited by its dependence on published secondary data, variations in data methodologies over time, challenges in isolating the specific impact of Make in India due to overlapping policy measures, and limited recent peer-reviewed evidence.

4. Literature Review

The Make in India initiative, launched in 2014, has attracted significant scholarly and policy attention as a major industrial development strategy aimed at strengthening India's manufacturing sector. The literature published between 2014 and 2025 presents mixed assessments, with some studies emphasizing progress in investment attraction and industrial policy reform, while others identify persistent structural constraints limiting transformational outcomes.

A major theme in post-2014 literature concerns the relationship between industrial policy and manufacturing-led growth. The World Bank's World Development Reports and India development analyses have repeatedly emphasized the importance of manufacturing competitiveness, infrastructure efficiency, and supply chain capability in supporting economic transformation. The World Bank's *Logistics Performance Index 2023* highlighted that logistics reliability and transport efficiency remain central determinants of manufacturing competitiveness, with India improving its logistics performance ranking significantly compared with 2014, although structural challenges remain.

The Government of India's own policy documentation provides important institutional context. The Economic Survey of India (2023–24) emphasized that manufacturing remains critical for employment generation, export competitiveness, and long-term economic resilience. Similarly, the Reserve Bank of India Annual Reports (multiple years, especially 2023–24 and 2024–25) discussed industrial investment trends, capital formation, and macroeconomic conditions affecting manufacturing performance. These official reports suggest that while policy reforms improved investment sentiment, manufacturing growth has remained sensitive to global shocks, financing conditions, and productivity constraints.

Scholarly studies directly examining Make in India provide nuanced conclusions. Balasubramanyam, Salisu, and Sapsford (2015) discussed the role of foreign direct investment in industrial development and argued that investment-led growth depends heavily on domestic absorptive capacity, institutional quality, and industrial ecosystem strength. Their analysis remains relevant to Make in India because increased FDI inflows do not automatically produce manufacturing deepening unless domestic firms integrate effectively into supply chains.

A significant body of research evaluates FDI under Make in India. Sahoo (2020) examined foreign direct investment patterns in India and found that liberalization measures improved capital inflows, particularly in manufacturing-related sectors. However, the study also noted uneven sectoral distribution and questioned whether increased investment translated into broad-based domestic industrial capability. Similar concerns are echoed in RBI analyses, which distinguish between capital inflow growth and structural industrial transformation.

The electronics sector has emerged as one of the most discussed areas in recent literature. ICEA (India Cellular and Electronics Association) reports (2021–2024) and policy analyses document rapid expansion in smartphone manufacturing and electronics assembly in India. Academic commentary suggests that Make in India contributed

positively to sectoral growth through policy incentives, market expansion, and global supply chain realignment. However, researchers note that substantial dependence on imported components continues to limit domestic value addition, indicating that assembly growth should not be confused with full industrial maturity.

The MSME dimension has received considerable academic attention. International Finance Corporation (IFC) reports and Ministry of MSME publications (2018–2024) highlight the importance of MSMEs in employment generation and supplier ecosystem development. Yet these studies consistently identify barriers including financing constraints, technological limitations, compliance burdens, and weak export competitiveness. Since MSMEs form a substantial part of India's manufacturing ecosystem, their underperformance significantly affects Make in India outcomes.

Labour and employment studies provide another critical perspective. International Labour Organization (ILO) reports (2019–2024) indicate that manufacturing employment growth in developing economies increasingly depends on skill adaptability, labour productivity, and sectoral composition. In the Indian context, industrial employment expansion has been uneven, partly due to capital-intensive production models and automation trends. This raises important questions regarding Make in India's employment generation objectives.

Infrastructure and logistics remain recurring themes in policy and academic research. The National Logistics Policy (Government of India, 2022) and World Bank logistics assessments indicate progress in transport connectivity, freight modernization, and digital logistics systems. Nevertheless, logistics cost and infrastructure fragmentation continue to affect competitiveness relative to major export-oriented economies.

5. Findings and Analysis

The analysis of secondary data from 2014 to 2025 indicates that the Make in India initiative has generated significant but mixed outcomes in India's industrial development. One of the most notable achievements has been the enhancement of India's attractiveness as an investment destination. Policy measures such as liberalization of foreign direct investment norms, digitization of approvals, simplification of industrial regulations, and improved investor facilitation contributed to increased investor confidence. Consequently, India experienced substantial growth in foreign direct investment inflows, particularly in sectors such as electronics, automobiles, renewable energy, pharmaceuticals, and infrastructure. This demonstrates that the initiative successfully improved India's global visibility as a manufacturing and investment destination. However, the concentration of investment in selected sectors and limited diffusion into broader industrial ecosystems indicate that the benefits have not been uniformly distributed.

Despite increased investment, the initiative's impact on manufacturing-led structural transformation remains limited. Although manufacturing output expanded during the study period, the contribution of manufacturing to India's GDP did not increase as significantly as anticipated. Several factors contributed to this outcome, including global economic instability, supply chain disruptions, the COVID-19 pandemic, and temporary policy-related disruptions affecting smaller enterprises. These findings suggest that investment attraction alone is insufficient to achieve long-term manufacturing transformation without stronger domestic industrial ecosystems, productivity improvements, and supply chain development.

The initiative also contributed positively to improving India's business environment. Reforms such as GST implementation, insolvency reforms, digital business registration, and administrative simplification improved ease of doing business and enhanced investor sentiment. These measures particularly benefited larger industrial investors by reducing procedural delays and improving regulatory transparency. However, smaller enterprises continued to face challenges such as documentation burdens, compliance complexity, and inconsistent implementation across states, limiting the broader effectiveness of these reforms.

The electronics sector emerged as one of the most visible success stories under Make in India. India significantly increased its mobile handset and electronics manufacturing capacity due to domestic demand, policy incentives, and global supply chain diversification. However, much of this expansion remained assembly-oriented, with continued dependence on imported semiconductors and electronic components. This highlights the gap between production growth and genuine industrial deepening.

Employment generation, a major objective of the initiative, showed comparatively weaker outcomes. While manufacturing traditionally supports large-scale employment creation, employment gains under Make in India were less substantial than expected. Increased automation, capital-intensive production systems, limited growth in labour-intensive sectors, and skill mismatches reduced employment expansion.

Infrastructure and logistics improvements, including industrial corridors, freight modernization, and port development, strengthened industrial operating conditions. Nevertheless, high logistics costs, transport fragmentation, infrastructure disparities, and land acquisition issues continue to affect competitiveness.

MSMEs remain a critical but vulnerable component of India's manufacturing ecosystem. Persistent challenges in financing, technology adoption, productivity, compliance, and export readiness limit their contribution to industrial growth.

Overall, Make in India has strengthened India's industrial policy framework, improved investment attraction, and supported selected sectoral growth. However, deeper structural transformation remains incomplete, and long-term success will depend on stronger institutional reforms, domestic industrial capability, and ecosystem development.

6. Suggestions

Based on the findings of the study, several recommendations are proposed to strengthen the effectiveness of the Make in India initiative. India should focus on increasing domestic value addition by moving beyond assembly-based manufacturing and strengthening component production, industrial materials, and supplier ecosystems. Greater support should be provided to MSMEs through easier credit access, technology modernization, export promotion, and simplified compliance procedures. Skill development initiatives must align with modern manufacturing requirements such as automation, robotics, electronics, and digital production systems. Improving logistics efficiency through better transport integration, faster freight movement, warehousing modernization, and customs reforms is also essential. Additionally, industrial competitiveness can be enhanced through stronger innovation support, including research and development incentives and university-industry collaboration. Consistent policy implementation across states, greater emphasis on labour-intensive industries, and deeper integration into global value chains will further support sustainable manufacturing growth and employment generation in India.

7. Conclusion

The Make in India initiative represents one of India's most significant industrial policy efforts aimed at strengthening the manufacturing sector, attracting investment, generating employment, and improving the country's global industrial competitiveness. Based on the analysis of secondary data from 2014 to 2025, the initiative has delivered measurable progress in several important areas, particularly in enhancing foreign direct investment inflows, improving the business environment, and expanding selected manufacturing sectors such as electronics and mobile production. The initiative also contributed to improving India's international visibility as a manufacturing destination and created a stronger policy foundation for industrial growth.

However, the findings indicate that the broader objective of achieving large-scale structural manufacturing transformation remains only partially fulfilled. Manufacturing's contribution to GDP has not increased at the pace originally envisioned, and employment generation has been less substantial than expected. Persistent structural constraints such as infrastructure inefficiencies, high logistics costs, MSME competitiveness challenges, skill shortages, and dependence on imported industrial inputs continue to limit the initiative's long-term impact.

Overall, Make in India should be viewed as an important and evolving industrial development strategy rather than a fully completed success. While the initiative has established momentum and created new industrial opportunities, sustainable manufacturing-led growth will require deeper institutional reforms, stronger domestic supply chains, innovation-driven industrial capability, and more effective implementation across sectors and regions. If these challenges are addressed strategically, Make in India has the potential to play a transformative role in India's **long-term economic development**.

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