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Make in India - making it work - a project management perspective

**Theme:**

To accelerate economic growth

**Keywords:**

Make in India, Implementation, Program Management

## Abstract

The Make in India program is an initiative under the Department of Industry Policy & Promotion, Ministry of Commerce & Industry. Primarily devised to transform India into a global design and manufacturing hub it also aims to facilitate investment, foster innovation, enhance skill development, protect intellectual property, build best in class manufacturing infrastructure.

The authors' recent research and assessment of implementation of many of India's public programs showed that the 'Make in India' initiative scored less from a project management perspective. The assessment was done based on a set of ten parameters at the project management and organizational level.

What are the reasons for the low score and what can we do to improve upon it? This will be the focus of the current paper and will be an extension of the earlier study.

This paper will critically examine the following.

- a) an analysis of the policy and vision and whether this has been clearly laid out amenable for implementation.
- b) review of current progress in the Make in India program.
- c) Suggestions and steps needed to implement the program in a better way.

This will be done in the context of the challenges faced and the strengths and opportunities in the country. In final analysis, this will find ways and means to make the 'Make In India' program work from an implementation perspective .

There are several public projects currently being implemented in India which are of large size and having potentially significant impact and outcome. The analysis in this paper could serve as an example to understand and evaluate if project management knowledge and practice is being applied in many of such projects.

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## Introduction - Policy & Vision

### Policy

A high level view of the vision of 'Make in India' is

To transform India into a global design and manufacturing and build best in class manufacturing infrastructure, to facilitate investment, to foster innovation, enhance skill development and protect intellectual property. (6)

The policy of the Make in India initiative has been described under following categories (6)

- New Initiatives
- Foreign Direct Investment
- Intellectual Property
- National Manufacturing

### Vision

The website of the Make in India program states that its goal is 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.

The goal is to make the Make in India program a medium to overhaul out-dated processes and policies and have change in Government's mindset - a shift from issuing authority to become a business partner.

Beyond the above statements there is no formal vision or mission statement stated either in content or in terms of a time line. Possibly this is because the entire program is being implemented not through visible or formal program management but as part of operational activity as part of the Dept of Policy and Promotion (DIPP).

Since the major focus of the Make in India initiative is in manufacturing sector, let us look at this area.

The vision is stated in the [National Manufacturing Policy or NMP](#) (2). It looks at a growth rate of 12-14% in the medium term, Increase of share of manufacturing towards GDP to 25% by 2022 and 100 million jobs by 2022. It also considers creation of appropriate skill sets, technological depth, enhancing global competitiveness and ensuring sustainability of growth.

The policy and vision as stated in the Make in India website is considers a wide range of goals some explicit while others at high level and specifying broad parameters. Therefore, some effort will be required to translate these into actionable objectives and it that sense it becomes somewhat difficult to scope the implementation of the initiative.

The challenge is also to translate the policy and vision through various initiatives comprising programs and projects. Formal project management knowledge and practice can provide considerable value in ensuring that goals and outcomes are achieved. This paper reviews and examines the current practices in the government with regard to project management standards and processes and provides suggestions on how they could be applied in practice.

## Implementation capability of public projects - analysis

A recent analysis of various public projects in India for e.g. Delhi Mumbai Industrial Corridor, Swachh Bharat Mission, e Biz, Smart cities and others has shown that the Make in India program was found to have one of the lowest score with respect to capability in project management practices.

The evaluation method devised considered a set of ten project management related parameters where each program or mission was assessed on a number scale. Anchors were also specified as a guideline to improve the objectivity of assessment.

Further, it has defined 'enabling and direct ' initiatives as follows

**Enabling:** e.g. Make in India, Ease of doing Business

These are not 'directly' involved in meeting a need, deriving benefits or achieving a particular objective in a sector or domain but are supportive and act as 'enablers'.

**Direct:** e.g. DMIC, Swachh Bharat Bahaman, eBiz

These are 'direct' interventions intended to meet a need, derive benefits or achieve a particular objective in a sector or domain and may or may not get support from 'enablers'.

Some comments with respect to the 'Make in India' initiative included :

- a) This was an Enabling initiative.
- b) Published information did not indicate formal organizational project management structure or approach being followed which is required for an initiative of such complexity and magnitude since it requires active support from the states as well.
- c) However, it has made good progress on promotion and publicity.
- d) Though a separate organization - India Invest has been set up, this is still in initial stages.
- e) There was a need for formal project management processes and training for this program.

## Application of Proj Mgt

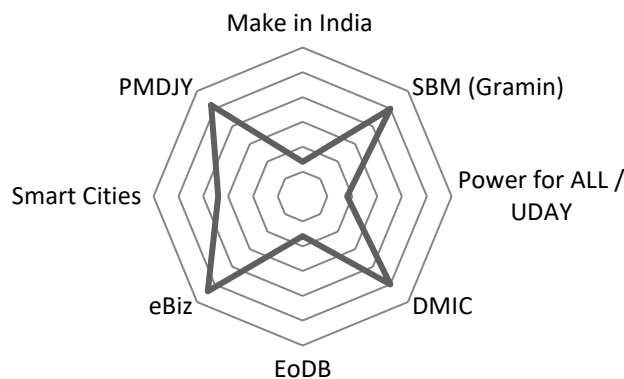


Fig 1: Implementation capability of various public programs

Since the score of the 'Make in India' program was one of the lowest it became a good candidate for further analysis on improving its implementation capability and this paper addresses this aspect .

### Deciphering and decoding "Make in India"

What is 'Make in India'(MII)? Is it a policy? or a slogan or a grand plan to make Indian manufacturing more competitive. Or is it move to employ the large manpower base in India . How can it contribute to FDI (Foreign Direct Investments)? Is it only at the program at the central level or also to be administered by the states? What domains does it cover ? How does it relate to other initiatives like EoDB (Ease of Doing Business).

A review of the official website and other internet resources will show that "Make in India" is stated to be many of the above and is somewhat nebulous with regard to its boundaries and inclusions / exclusions . Therefore , from a implementation or program /project management perspective it is a challenge to scope the initiative with some degree of clarity .

Adding to this difficulty in understanding its scope is to ascertain whether MII is only a program for marketing and promotion or has under its governance actual implementation of some programs or projects . This is borne by the fact that some projects have been designated or being called as a "Make in India project".

What is the real scope of the Make in India program? This is based on the author's analysis of the data available on <http://www.makeinindia.com/home> and related articles and news clippings by various persons .

IS:

**Marketing and Promotion** of India's capabilities as manufacturing hub with countries abroad and local business community. It is focused on increasing FDI and the share in India's GDP from the manufacturing sector.

IS NOT:

- a) Management or Governance of projects particularly those which are erroneously christened as "Make in India" projects.
- b) Management of various programs and projects listed in the Make in India website. One example is that of Industrial Corridors across India.

## Status and Progress - a Reality Check

### Foreign Direct Investment (FDI)

The goal of the Make in India program is turning India into an attractive investment destination. In that respect the progress has been good and the country has done reasonably well.

- India's ranking in the World Economic Forum's Global Competitiveness report FY2015-16, showing a jump of 16 places.
- The country is also ranked as the fastest growing economy by the International Monetary Fund (5)
- The percentage increase and value of FDI is shown in Fig 2

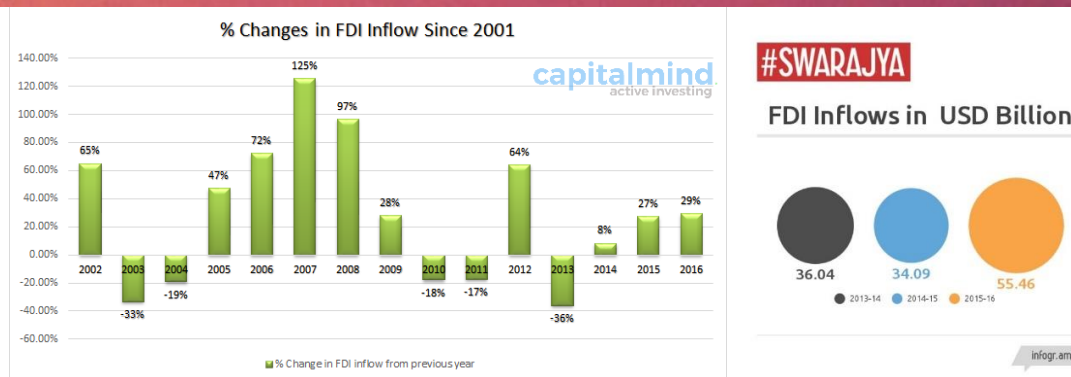


Fig 2: FDI Data

## Manufacturing

In general, the status and progress in the manufacturing sector has been less than satisfactory. The rate of growth in manufacturing has been lower. Exports, a potentially major source of manufacturing growth, have been on the decline, and so has been the growth in industrial credit. This is across all units, small, medium and large. Capital formation -- the basis for future growth has been sluggish and growth in manufacturing employment (inclusive of SMEs) has been below expectations. (4)

Interestingly, data from the Reserve Bank of India (RBI) has shown that compared to 2014-15, FDI in Manufacturing fell in 2015-16 to a figure below that in 2011-12. The percentage of FDI flowing to manufacturing, which has been in the range of 35-40% for the past four years, dropped to 23% in 2015-16. Rather than manufacturing, services e.g. e-commerce providers like Amazon, Snapdeal and Flipkart, ride-sharing services like Uber and Ola seem to be drawing a greater share of investment. (3)

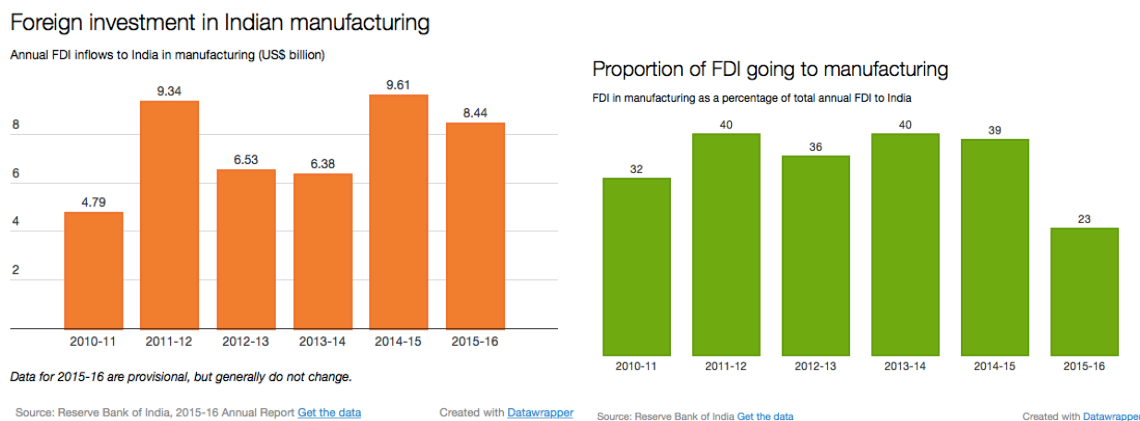


Fig 3: FDI in Manufacturing

## Ease of Doing Business (EoDB)

On this front, the progress has been literally static since the Rank of 130 continues as seen in Fig 4.



Fig 4: EoDB Ranking

## Proposed Best Practices & Recommendations

### Moving from Vision to Implementation

- 1) Currently, the program is being managed as part of DIPP which in turn is part of the Ministry of Commerce and Industry. There is no dedicated organization for the program. For example, the government could appoint a minister of Make in India. This project is too important and too critical to leave it to bureaucrats spread across ministries. (1) This proposal is also of



- significant importance because translating vision into operational details devolves on several ministries e.g. Company affairs, skill development and labor. (4)
- 2) Policy statements are not sufficient and should not be just a slogan. They should be translated into operational plans, sub-strategies, schemes and programs. At present the policy content is missing or not clearly articulated and therefore should be worked out (4)
  - 3) Industrial policy in a federal polity is completely different from that in a unitary structure. The central government has issued numerous Industrial Policy Statements from time to time. Most are often objective-oriented political announcements. Further, limiting the states' involvement solely to EoDB may not be the best way and they must be co-opted in other areas of the program as well. (4). Talent shortage in critical areas should be addressed and Institution building and their strengthening is required with technical experts needed in all the mission-critical areas. (1)
  - 4) Often the Make in India campaign has been reduced to being a branding exercise under which the government claims credit for it pretty much for even factories which routinely being set up in the country. Every factory inaugurated, every defence deal signed, every shovel stuck into the ground is often accompanied by the hashtag #MakeInIndia. This is unrealistic and should be avoided. In short there can be no "Made in India" projects and the entire campaign should be focused on advocacy, promotion and marketing.
  - 5) There are 10 criteria used in the 'Ease of Doing Business' ranking by the World Bank, among them: Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Paying Taxes, Enforcing Contracts etc. There could be therefore 10 departments in the Ministry of Make in India mirroring these with the task of bringing India to the first rank on all these parameters within the next 12 months. (1)

## Organization Structure

### Components

#### **Dept of Industrial Promotion & Publicity (DIPP) Ministry of Industry & Commerce.**

This is the organization which is managing the Marketing & Promotion component of the program . Normally , one would expect this to be organized using projectized or matrix structures and as a program . However , from the information available in the public domain it appears that a functional or hierarchical structure is being followed .This is also understandable , since government departments generally tend to have such structures when work is ongoing though clear demarcations as in a project / program would be more beneficial in this instance .

**Invest India** This is a division within DIPP and has been set up as an Investor facilitation cell.

**EoDB – Ease of Doing Business** – a bench mark on a set of 10 parameters

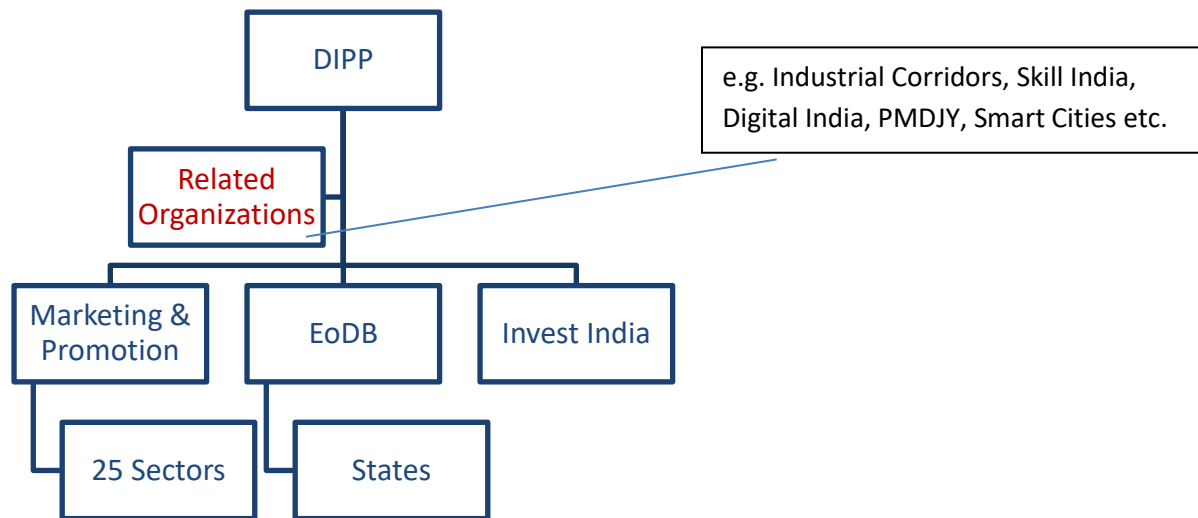


Fig 2 : Organization Structure - Make in India

### Organizational Project Management

The Make in India initiative is a good candidate for gainfully applying organizational project management. The entire program can be visualized as a number of projects in marketing and promotion for each of the 25 sectors of focus. In case of EoDB projects would be at implemented at the State level with the support of the DIPP at the center.

Projects collectively would comprise a program which are implemented either for each sector or state. Portfolio management would apply when we are considering selecting and prioritizing and implementing only some of the projects during a time period.

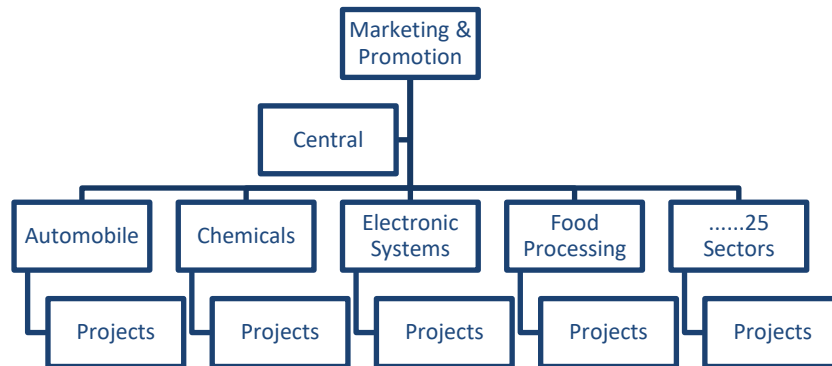


Fig 3 : Organization Structure - Marketing & Promotion

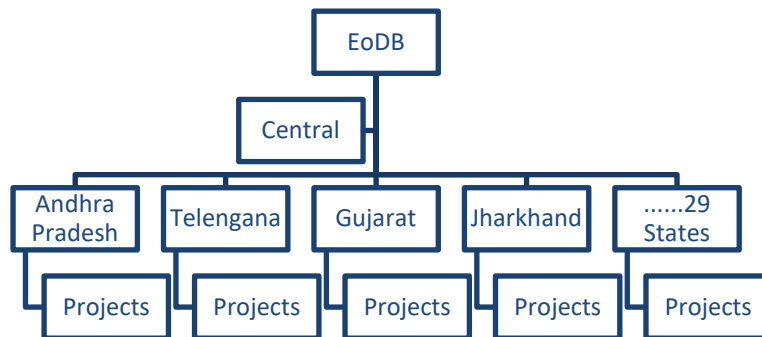


Fig 4: Organization Structure - EoDB

## Stakeholder Analysis

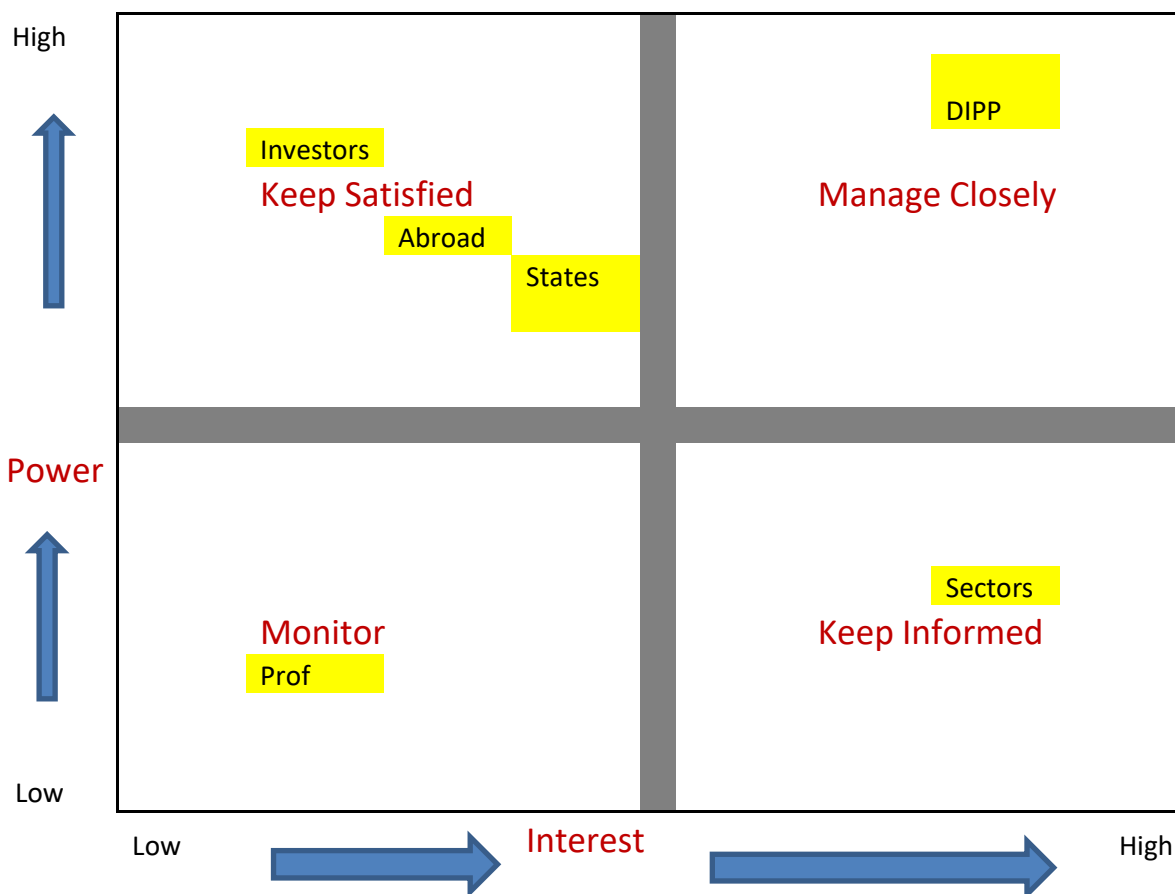


Fig 5 : Stakeholder Analysis

Legend - **Investors** : Foreign Direct or Domestic | **Abroad** : Countries Foreign Missions | **Prof** : Professionals implementing programs / projects | **DIPP** : Dept of Industrial Policy & Promotion | **Sectors** : 25 Manufacturing sectors | **States**: State Governments

## Conclusions

- a) The Policy and Vision stated by the Make in India can benefit from more clarity about its scope and its inter relationships with other departments and stakeholders.
- b) It does not appear that formal program management structure or methods are being deployed as compared to similar public programs in the government.
- c) It would be beneficial to manage the initiative not just as a department within DIPP, but give it higher status and accountability by either having a separate ministry or deploy a mission mode approach.
- d) Organizational project management could be deployed for the initiative in managing programs & projects and using portfolio management to select or prioritize programs or projects within a timeframe.
- e) The areas which could be of immediate attention from a project management perspective would be the organization structure, revisions or adaptations in plans while moving from vision to implementation and analyzing stakeholders. Next steps would include looking at best practices at project level

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