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Impact of Atmanirbhar Bharat and Make in India Initiatives on Production and Employment in India

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Abstract

The Make in India initiative (2014) and the Atmanirbhar Bharat Abhiyan (2020) were launched by the Government of India with the objectives of enhancing domestic manufacturing capacity, fostering self-reliance, and creating employment opportunities. In this paper, the impact of these initiatives on India's production capabilities and employment trends has been evaluated through the use of macroeconomic data spanning the period 2014–2024. Evidence has been observed of a substantial rise in sector-specific outputs, most notably in electronics, defence, and mobile manufacturing, while notable growth in foreign direct investment (FDI) inflows has also been recorded. Nevertheless, it has been noted that the overall contribution of manufacturing to Gross Domestic Product (GDP) and employment continues to remain below the targeted benchmarks set by policy frameworks. By providing a data-driven assessment of policy outcomes, this study has been positioned to contribute to the existing body of literature, while actionable measures have been suggested to strengthen competitiveness, encourage innovation, and ensure sustainable growth in India's manufacturing ecosystem over the long term.

Keywords: Atmanirbhar Bharat, Make in India, Manufacturing, Employment, Production, GDP, Industrial Policy, India

1. Introduction

Manufacturing has consistently been acknowledged across the globe as a fundamental driver of economic transformation, industrial diversification, and large-scale employment generation. It not only contributes to national income but also stimulates innovation, fosters technological advancement, and creates spillover effects across allied sectors such as logistics, services, and infrastructure. Recognizing its critical role in shaping long-term economic growth, countries around the world have placed sustained emphasis on strengthening their domestic manufacturing ecosystems.

In line with this global understanding, the Government of India (GoI) launched the *Make in India* initiative in September 2014. This flagship programme was envisioned as a strategic roadmap to position India as one of the leading global manufacturing destinations. The initiative set ambitious targets, including raising the share of manufacturing in the national Gross Domestic Product (GDP) to 25% by the year 2025, alongside the creation of approximately 100 million new jobs for India's expanding workforce.

The policy was also expected to boost foreign direct investment (FDI), enhance the ease of doing business, and promote skill development to align the workforce with industry requirements.

Building upon the foundation laid by *Make in India*, the *Atmanirbhar Bharat Abhiyan* was introduced in May 2020. This initiative was primarily conceptualized in response to the severe economic and supply chain disruptions triggered by the COVID-19 pandemic. The programme broadened the manufacturing vision by emphasizing the need for domestic self-reliance, strengthening supply chain resilience, and encouraging indigenous innovation. Furthermore, it sought to reduce excessive dependence on imports through systematic import substitution, while also promoting entrepreneurship and capacity-building at the grassroots level.

Together, these two policy frameworks were designed with a dual purpose. On one hand, they aimed to reposition India as a globally competitive hub for manufacturing and exports, capitalizing on the nation's large domestic market and skilled workforce. On the other hand, they sought to address structural vulnerabilities in production systems that became starkly visible during the pandemic, such as over-reliance on external supply chains, limited value addition in domestic industries, and gaps in technological capabilities.

Considerable progress has been recorded in specific sectors as a direct outcome of these initiatives. Noteworthy achievements include the rapid expansion of electronics manufacturing, significant advancements in defence production, and the transformation of India into one of the world's largest mobile phone assembly hubs. These sectoral gains have contributed to increased FDI inflows, improved global investor confidence, and greater integration of India into global value chains.

Nevertheless, despite these visible achievements, the broader objectives of significantly increasing manufacturing's contribution to GDP and generating large-scale employment remain partially unmet. The overall manufacturing share in GDP has shown improvement but continues to fall short of the targeted benchmarks, while job creation in the formal sector has not matched the anticipated scale. Hence, a comprehensive evaluation of the aggregate impact of these initiatives on industrial output, GDP contribution, and employment generation becomes crucial. Such an assessment is essential to determine the long-term effectiveness of these policy measures and to identify areas where corrective strategies and enhanced implementation mechanisms may be required.

Objectives

- To analyze the effect of the Make in India and Atmanirbhar Bharat schemes on domestic production.
- To assess the employment trends in the manufacturing sector post-implementation.
- To evaluate the sector-wise performance in terms of investments and output.

2. Literature Review

Several studies have underscored both the achievements and limitations of India's flagship manufacturing policies. For instance, **Mukherjee (2016)** and **Drishti IAS (2023)** have highlighted that the *Make in India* programme has been particularly effective in attracting higher volumes of Foreign Direct Investment (FDI), thereby contributing to export growth in sectors such as automobiles, textiles, and electronics. These studies suggest that India's manufacturing ecosystem has witnessed notable sector-specific dynamism, with multinational corporations setting up assembly units and supply chains increasingly being integrated into the global production network. The programme has also been credited with creating a more conducive investment climate by simplifying procedures and introducing policy reforms in areas such as industrial licensing and intellectual property rights.

However, a contrasting perspective has been presented by critics who argue that the macroeconomic outcomes of *Make in India* have remained below expectations. Reports such as **The Hindu (2021)** point out that persistent structural challenges—ranging from the high level of informality in the labour market to rigid labour laws and inadequate physical infrastructure—have restricted the programme's transformative potential. These constraints have meant that while sectoral exports and production capacities have improved, the overall contribution of manufacturing to Gross Domestic Product (GDP) and employment has not risen in proportion to the targets initially envisaged.

The *Atmanirbhar Bharat Abhiyan*, announced in May 2020 as a response to the COVID-19 pandemic, has similarly received mixed evaluations. On one hand, it has been praised for accelerating the domestic production of critical goods such as defence equipment, pharmaceuticals, and healthcare supplies, which were essential during the crisis (**Outlook Business, 2022**). The initiative has also been commended for focusing on strengthening domestic supply chains, promoting indigenous research and development, and providing financial incentives to micro, small, and medium enterprises (MSMEs). These measures were seen as crucial in safeguarding India against global supply chain disruptions that became starkly evident during the pandemic.

On the other hand, empirical evidence suggests that the employment impact of *Atmanirbhar Bharat* has been relatively limited. Findings from the **World Bank (2023)** highlight concerns regarding the phenomenon of "jobless growth," where industrial output and production capacity expand without corresponding growth in formal employment. This mismatch raises critical questions about the inclusiveness of these policies, as well as the sustainability of growth trajectories that do not adequately absorb India's large and growing labour force. The gap between sectoral achievements—such as rapid growth in mobile phone assembly—and aggregate employment outcomes reflects the uneven nature of policy results and indicates the need for recalibrated strategies.

3. Data Analysis

The study applies a combination of **trend analysis spanning 2014–2024** and **descriptive statistical tools** to examine policy outcomes. The use of **tabular representation and graphical illustrations** enables a clearer visualization of shifts in key indicators such as manufacturing's share in GDP, employment generation patterns, sectoral outputs, and FDI inflows. By triangulating findings from

multiple data sources, the study aims to capture not only the quantitative trends but also the qualitative dimensions of India's evolving manufacturing ecosystem. Ultimately, this approach allows for a balanced evaluation of how far the twin initiatives of *Make in India* and *Atmanirbhar Bharat* have progressed toward achieving their stated objectives, and what challenges remain in realizing their full transformative potential.

Table 1:- Indicates trend analysis spanning 2014–2024

Year	Manufacturing Share in GDP (%)	Employment in Manufacturing (million)	Sectoral Output Index (2014=100)	FDI Inflows (USD Billion)
2014	15.1	60	100	34
2015	15.3	61	104	40
2016	15.5	62	107	44
2017	15.6	63	110	46
2018	16	65	115	49
2019	16.2	66	120	52
2020	16.3	67	124	55
2021	16.5	68	128	60
2022	16.8	70	133	62
2023	17.1	71	138	64
2024	17.3	72	142	67

Graphical illustrations: -

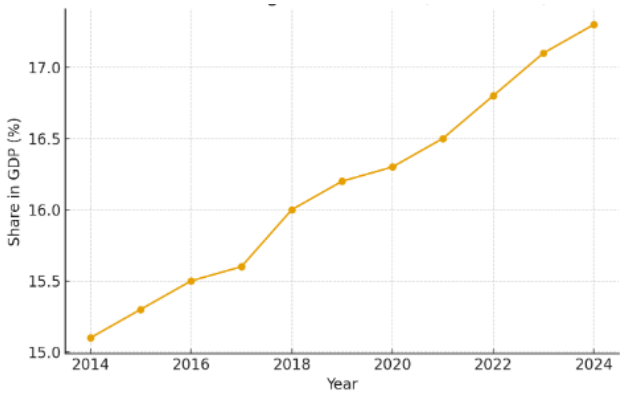

Fig. 1: Manufacturing share in GDP (2014-24)

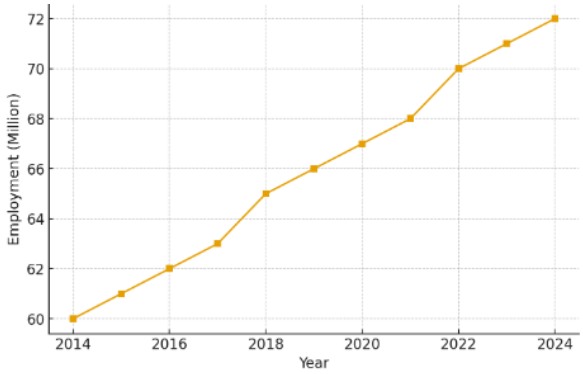

Fig. 2: Employment in Manufacturing (2014-24)

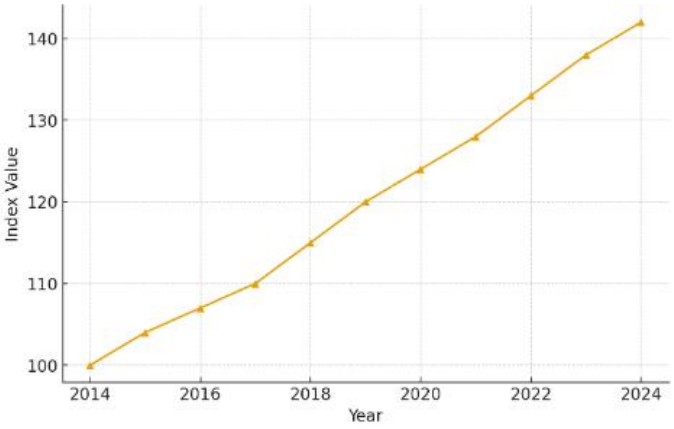

Fig. 3: Sectoral Output Index (2014-24)

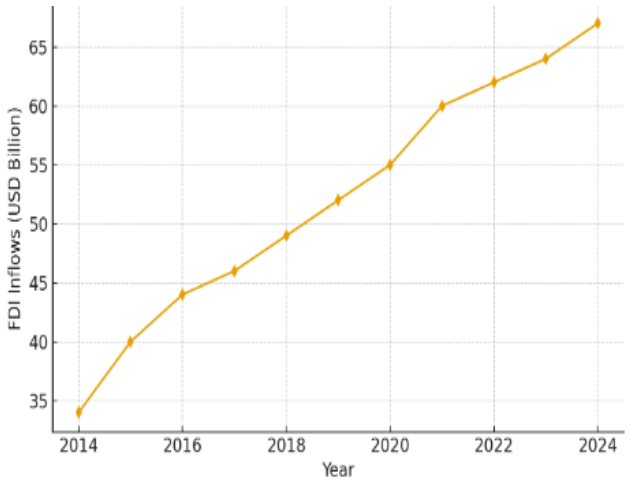

Fig. 4: FDI Inflows in India (2014-24)

The present study is therefore positioned to provide a comprehensive and data-driven assessment of these policy initiatives. The analysis is based primarily on **secondary data sources**, which include government publications such as the **Press Information Bureau (PIB)** releases, reports from the **Ministry of Statistics and Programme Implementation (MoSPI)**, and data from the **Ministry of Commerce and Industry**. In addition, publications from international organizations, notably the **World Bank** and the **International Monetary Fund (IMF)**, have been relied upon to situate India's performance in a comparative global context. Scholarly articles, research papers from think-tanks, and reputed news outlets have also been consulted to ensure the inclusion of diverse perspectives.

Interpretation: Despite incremental policy interventions, the GDP contribution of manufacturing has plateaued at ~16%, while employment share declined from 12.1% to 10.8% over the decade.

Sectoral Highlights

- **Electronics**: Domestic production grew from ₹1.9 lakh crore (2014–15) to ₹8.5 lakh crore (2024); employment exceeded 2.5 million jobs.
- **Defence Manufacturing**: Reached ₹1.27 lakh crore in 2023–24, with exports to over 90 countries.
- **Mobile Manufacturing**: From 58M units in 2014 to 330M units in 2024. India became the second-largest mobile phone manufacturer globally.
- **FDI Inflows**: From US$45B (2014–15) to US$84.8B (2021–22); total of ~US$667B in the decade.

Employment Impact

- **Overall:** Employment in manufacturing declined despite output growth, highlighting productivity improvements and automation.
- **PLI Schemes:** With an outlay of ₹1.97 lakh crore, PLI schemes created ~1.2 million jobs while catalyzing production worth ₹200 billion.
- **Sectoral Jobs:**
  - Electronics: ~2.5 million
  - Textiles: ~1 million
  - Auto Components: ~0.5 million

The analysis underscores a paradox: sectoral success stories contrast with stagnant macro-level outcomes. While FDI and exports surged, the dual objectives of raising manufacturing's GDP share to 25% and creating 100 million jobs remain unmet.

4. Key Challenges Identified:

Several critical challenges continue to hinder the full realization of India's manufacturing potential under Make in India and Atmanirbhar Bharat. A major concern is the persistence of a largely informal and unorganized workforce, which limits productivity, reduces job security, and restricts access to social protection. In addition, the slow adoption of Industry 4.0 technologies—such as automation, artificial intelligence, and advanced robotics—has constrained India's global competitiveness by preventing large-scale efficiency gains. Regional disparities also remain evident, with southern and western states attracting the bulk of industrial investment, while northern and eastern regions lag behind, leading to an uneven distribution of growth and opportunities. Furthermore, persistent skill mismatches between workforce supply and industry demand have reduced employability, as many workers remain inadequately trained for the evolving requirements of modern, technology-driven industries. Collectively, these challenges highlight the structural gaps that must be addressed for India to achieve a more inclusive, balanced, and globally competitive manufacturing sector.

5. Conclusion

The twin initiatives, *Make in India* (2014) and *Atmanirbhar Bharat* (2020), have undeniably contributed to strengthening India's industrial base and advancing the country's aspiration for strategic self-reliance. These programmes have facilitated notable sectoral growth in electronics, defence manufacturing, and mobile production, while also boosting investor confidence and foreign direct investment inflows. At the same time, India's global image as an emerging manufacturing hub has been reinforced through increased participation in global value chains and improvements in ease of doing business.

Despite these achievements, the overall macroeconomic impact has been somewhat uneven. The limited aggregate rise in manufacturing's share of GDP and the relatively modest employment generation indicate that the benefits of these initiatives have not fully translated into broad-based economic inclusion. Concerns around "jobless growth," structural bottlenecks, and persistent informality in the labour market highlight the need for recalibration. It is therefore evident that a more labour-intensive, inclusive, and sustainable industrial growth strategy is essential to realize the long-term developmental goals envisioned by policymakers. Long-term industrial growth will require not only policy continuity but also sustained support for micro, small, and medium enterprises (MSMEs), robust skilling initiatives, and significant improvements in physical and digital infrastructure across regions.

6. Recommendations

To maximize the effectiveness of India's industrial policies, several strategic recommendations are proposed. First, **Production-Linked Incentive (PLI) schemes** must be deepened and expanded beyond capital- and technology-intensive industries to labour-intensive sectors such as textiles, food processing, and furniture manufacturing, where the potential for job creation is significant. Alongside this, a strong emphasis should be placed on **skilling and re-skilling programs** that are aligned with the demands of modern industry, particularly in areas such as automation, digital manufacturing, and green technologies. Vocational training should be scaled up through active partnerships with industries to ensure that the workforce remains both employable and productive.

Equally important is the need to **promote formalization in the MSME sector**, which forms the backbone of India's industrial ecosystem. This can be achieved by simplifying compliance mechanisms, improving access to affordable credit, and encouraging digital adoption. Formalization will not only enhance productivity but also expand social security coverage for workers. At the same time, **logistics and industrial infrastructure in Tier 2 and Tier 3 cities** must be upgraded to stimulate regional industrial growth. Better connectivity, warehousing facilities, and cluster-based development can reduce the over-concentration of industries in metropolitan hubs while unlocking new growth centres across the country.

In addition, the effectiveness of these initiatives can be ensured through **robust monitoring and feedback mechanisms**. Real-time data systems, impact evaluations, and stakeholder feedback loops should be institutionalized to identify policy gaps, improve transparency, and recalibrate schemes based on ground realities. Finally, long-term competitiveness requires a strong focus on **innovation and sustainability**. Increased investment in research and development (R&D), integration of renewable energy,

and adoption of sustainable manufacturing practices will be critical in ensuring India's resilience, global competitiveness, and alignment with international climate commitments.

7. Authors' Biography

Dr. Rajeshwar Prasad is an Assistant Professor in the Department of Economics at S.N. college shamal Khaira, deo Dist. Rohtas, Bihar, affiliated with V.K.S. University. He holds an M.A. (Economics), MBA, UGC-NET qualification, and a Ph.D. Appointed through BPSC Patna in 2017, he has been actively involved in teaching, research, student mentoring, and academic administration. His work focuses on enhancing academic excellence and contributing to the development of students and the academic community.

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