**Journal of Neonatal Surgery**
***ISSN(Online): 2226-0439***
***Vol. 14, Issue 28s (2025)***
*https://www.jneonatalsurg.com*

OPEN ACCESS

# The Role Of "Make in India" In Enhancing the Performance and Associated Challenges for Micro, Small and Medium Enterprises In NCR

**Bhawana Sharma[1], Dr Anupama Pandey[2]**

[1]Designation: Phd Research Scholar, Department: Commerce & Management, Institute: Nims School Of Business, Nims University,Jaipur

Email ID: Bhawnasharma0808@Gmail.Com

[2]Designation: Professor, Department: Management and Commerce, Institute: Nims School Of Business, District: Jaipur City: Jaipur, State: Rajasthan

Email ID: Anupama.Pandey@Nimsuniversity.Org, Anupamapnd@Gmail.Com

Cite this paper as: Bhawana Sharma, Dr Anupama Pandey, (2025) The Role Of "Make in India" In Enhancing the Performance and Associated Challenges for Micro, Small and Medium Enterprises In NCR, *Journal of Neonatal Surgery*, 14 (28s), 1003-1013

## ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are the foundation of the Indian economy, making substantial contributions to employment, industrial production, and exports. The GOI's "Make in India" project, initiated in 2014, seeks to convert the nation into a worldwide manufacturing center by promoting local output, enticing international investment, and enhancing the business environment. This research evaluates the performance and obstacles encountered with MSMEs within the NCR throughout the context of this project. A mixed-method approach was used to gather primary data from 300 MSME respondents using structured questionnaires, whereas secondary data was sourced from government sources and academic research. The research utilizes statistical methods like correlation, regression, & descriptive statistics to assess critical variables such as production output, employment creation, and international trade. Research demonstrates that the "Make in India" campaign has substantially influenced MSME development, accounting for 80.5% of the variation in manufacturing output. Nonetheless, its impact on job creation and skill enhancement is limited. Moreover, MSMEs have obstacles like financial restrictions, legal hurdles, and technology deficiencies, which impede their complete alignment with the initiative's goals. The research emphasizes the need for specific governmental measures, increased financial accessibility, and upgraded infrastructure to strengthen MSME competitiveness. Confronting these issues is essential for optimizing the advantages of "Make in India" and guaranteeing the sustained advancement of MSMEs as pivotal contributors to India's industrial & economic progress

***Keywords***: *MSMEs; Make in India; Economic Growth; National Capital Region; Employment Generation*.

## 1. INTRODUCTION

MSMEs are a backbone of Indian economy and a significant contributor towards employment generation, industrial output, and exports in the country (Shelly, et al 2020). Indian exports, industrial production, and gross domestic product (GDP) are all impacted by the Ministry of Micro, Small, and Medium Enterprises (MSME). MSMEs are very essential in promoting regional development through job creation in both rural and urban areas (Verma, 2020). Additionally, by creating chances for entrepreneurship, they contribute to inclusive economic development, particularly for excluded groups and women. As opposed to big companies, MSMEs are highly flexible and adaptable, allowing them to adapt quickly to market changes. This agility is particularly crucial in times of economic crises, making MSMEs a prime driver of economic resilience (Widjaja, et al., 2024).

However, despite playing an overly critical role in the economy, MSMEs face a variety of challenges that do not let them realize their full potential. These include insufficient access to credit, technological obsolescence, and lack of skilled labor, high regulatory compliance costs, and infrastructural deficits Mishra & Khanna (2024). The lack of access to affordable funding stands as the biggest hindrance: MSMEs face a challenge in satisfying strict banking regulations, forcing them to seek informal loans carrying extremely high interest rates (Ali, et al., 2023). Technological constraints further restrict most MSMEs from employing innovative production techniques; this naturally hampers their competitiveness in the domestic as

well as international markets. Given these, it appears that the government, through policy instruments, has approached MSME development as a priority area, basing its focus on the incorporation of MSMEs in plans of large-scale industrial growth, such as the "Make in India" initiative (Mukherjee, 2018).

### *1.1 The "Make in India" Initiative and Its Significance for MSMEs*

The GOI launched the "Make in India" campaign in the month of September 2014 alongside the intention of making India the new global hub for manufacturing. By 2025, the initiative aims to increase manufacturing's GDP contribution from 16% to 25% while generating millions of new jobs (Khan, 2017). Attract investment from within and outside the country, further increasing ease of doing business, and cultivating innovation and skills in major industrial sectors (Hitchen, et al., 2023).

MSMEs are at the core of the "Make in India" vision because of their widespread presence and economic impact. The initiative looks forward to integrating MSMEs into the larger industrial ecosystem through domestic production, reduction of import dependency, and exports (Wandhe, 2024). The government initiated various schemes like the Production Linked Incentive scheme, the Credit Linked Capital Subsidy Scheme, and Digital MSME initiatives to improve productivity, technology, and market access (Garg, 2020). Still, the operational challenges continue to exist for the MSME, preventing them from being in complete alignment with the "Make in India" objectives. The initiative's success depends on comprehending these obstacles and figuring out how to get around them (Nanda & Kumar, 2023).

### *1.2 National Capital Region (NCR) as an Industrial and Economic Hub*

NCR, which is the abbreviation of National Capital Region, comprises the cities of Delhi, Noida, Gurugram, Faridabad, and Ghaziabad; it is considered one of India's most crucial industrial and commercial zones (Yadav, 2012). The region has become one of the large manufacturing, trading, and services hubs, drawing benefits from closeness to the policymakers, excellent infrastructure, and a large pool of talent close by (O'Neill, 2018). The NCR is one of the places where a diverse MSME exists and is found to be diversified into automobiles, electronics, textiles, consumer goods, and information technology (BALODI, 2021). Many multinationals have also set up operations in the region, providing small and medium enterprises with opportunities as suppliers and service providers (Wairimu, 2015).

However, MSMEs in NCR also suffer from various operational and growth difficulties. High real estate costs and rising wages power shortages and inadequate industrial zones raise the cost of doing business (Zeng, 2016). In addition, due to the presence of large-scale industries and imported products, it becomes challenging for local MSMEs to scale up. Regulatory and compliance requirements increase the burden; in such an environment, the chances of the small business struggling to sustain itself are higher (Jenkins, 2006). The persistent problem of finance is also that the MSMEs are always on the back foot because rigid banking norms bar loans for many of them. Addressing these factors is necessary in order to be able to properly benefit the NCR MSMEs through this "Make in India" programme and also benefit the industrial expansion of the area (Gopan & Singh 2024).

This study is significant in assessing the performance and challenges of MSME in the National Capital Region with respect to the Make in India initiative. Understanding MSMEs' alignment with this initiative is necessary because MSMEs play an important role in driving growth in economic activities and employment as well as industrial development in countries. This study outlines the major barriers that MSMEs encounter, which include financial constraints, regulatory complexities, infrastructural constraints, and technological obsolescence, and examines the effectiveness of government measures in mitigating these barriers.

The study is divided into six main sections for in-depth analysis. The introduction is on the research problem, objective, and background of the "Make in India" initiative for MSMEs in NCR. Literature review discusses prior studies, theory, and policy on MSME growth, manufacturing competitiveness, and government policies. Methodology discusses research design, data collection, and analysis methods in measuring MSME performance and issues. The Results provide empirical facts from qualitative and quantitative analysis of MSME growth drivers and comparison with "Make in India." The Discussion interprets these results in the context of other studies, their policy implications, and practical suggestions. The Conclusion finally summarizes major findings, discusses limitations of the research, and suggests areas for future research on MSME growth in India's new industrial order

## 2. REVIEW OF LITERATURE

Tripathy, A., & Dastrala, S. M. (2023) stated that ease of conducting business policies, skill upgradation, labor reforms, and increased research and development investment to improve innovation as well as indigenous manufacturing of raw materials were all part of ecosystem development, which determined long-term success alongside GDP growth and job creation. An internationally competitive manufacturing environment was the end aim, and it helped India become a hub for creative, high-value goods. Another authors Tandon, A. (2023) and Nag, et al., (2015) stated that potential economic benefits from manufacturing were adversely affected by the severely restricted integration of value chains in India. The adoption of new technologies and Industry 4.0 in particular, was sluggish, particularly among SMEs. This led to a decrease in both innovation and production. Achieving objectives requires the implementation of changes to labor laws, budgetary policies, infrastructure development, skill creation, and workforce capacity. Similarly, Shaik, M. B. (2017) learned that MSMEs supported current

& future company development, attracted investment from both local and international corporations via the Make in India program, and had a major influence on indigenization efforts. There was a great chance for "Make in India" products to have no flaws and no negative impacts. In keeping with the government's goal, the Digital India revolution presented a fantastic chance to encourage MSME involvement in the ICT industry. All three of these areas—agriculture, manufacturing, and services—remained crucial to GDP growth and job creation; therefore, it was crucial that the MSME segment thrived in all of them.

Manida, M., & Arumugam, U. (2024) delved into a multitude of factors that influenced the development course of these businesses, such as innovations in technology, governmental programs, market forces, and worldwide tendencies. To comprehend how MSMEs set themselves up for growth in the face of changing market circumstances, we examined customer tastes, market tendencies, and supply chain dynamics. In the contrast of this Kumar, R. (2025) stated that the government of India's "Make in India" program received praise from all across the globe. Raised awareness of the India patent system and boosted the nation's innovation capital were two important considerations. Similarly, Mukherjee, S. (2018) examined the situation at the Indian Coir Industry, a long-established export-oriented sector that faced stiff competition from other synthetic product manufacturers. Based on the export pattern over the last five years, it became clear that the export value did not see significant growth. Improving competitiveness was possible with technology. There were several theoretical elaborations on technology transfer pathways, export competitiveness, and technological advancements.

Sangwan, A. (2016) discovered that resiliently weathering the recent worldwide recession, India's economy rose to become one of the “world's fastest-growing”. The manufacturing sector was relatively weak in comparison to the dynamic service sector, which was the primary driver of India's recent development. If the Indian government was serious about transforming the country into a major manufacturing power, it had to remove several financial and regulatory obstacles. Another author Chalavadi, S. (2024) took a look at the ways India's "Make in India" initiative had paid off and compared it to other nations that had used the same business model. The aerospace industry was studied as a case study out of the twenty-five sectors that were introduced under MII. Study examined Make in India thoroughly and came to a decision thereafter. In contrast to this, Goswami, M., & Daultani, Y. (2022) found that out of the ten companies (two from each of the study's focus areas), the software and automotive companies were more likely to be prepared to embrace Industry 4.0 technology, whilst the infrastructure project management company was the least prepared.

Ramachandran, S., et al., (2024) discovered that after liberalization in 1991, the Indian economy commenced a period of rapid growth. From 2017 to 2023, India's contribution to global GDP increased, moving from 3.2% to 7.59%. Knowledge spillovers, increased access to technology, increased productivity, new jobs, and enhanced competitiveness were just a few of the many advantages that GVC involvement and FDI inflows provided. Another author Alok, D., & Verma, S. (2020) discovered that MSME drove economic development in India. They formed a big part of India's economic development and were among the most valued sectors in the nation. When the economy was in a slump, this sector was crucial for keeping growth steady. MSME in India were numerous, varied, & located in all corners of this massive nation. Similarly, Raju, K., & Peri, P. (2022) revealed that India's 6.3 crore MSMEs contributed to almost 33% of the GDP. These 6.3 million MSMEs employed over 11 million people in India. MSMEs in developed countries like Germany provided 55%. Since only 1.1 billion of India's 6.3 billion MSMEs had been GST registered, the rest had likely remained dormant or informal. Around 8,600 MSME manufacturers/suppliers served India's defense sector. We wanted to create a system for the local manufacture of largely imported components.

Pulicherla, K. K., et al., (2022) discussed the goal of initiatives like "Atmanirbhar Bharat," which meant “Self-Reliant-Green India”, was to increase domestic manufacturing production and decrease reliance on foreign imports. Particularly targeted were the financially vulnerable Startups, MSME, young scientists, research and development laboratories, and conventional industrial units that made up India's manufacturing landscape. In the contrast of this Rajalakshmi, G. R., et al., (2024) stated that the study had undoubtedly helped the Indian government boost investment; create jobs, increase profits, and increase exports from these businesses. On top of that, the research helped them with liberalized policies that provided a favorable setting for rural micro, small, and medium manufacturing businesses to thrive and expand, which benefited the Make in India, Start-up, and "Stand up" initiatives. Similarly, Vallabh, G., & Tati, R. K. (2016) gained an appreciation for the relative shift that the Make in India initiative imposed on the supply chain of MSMEs that sourced from manufacturing Original Equipment Manufacturers. Study selected the Jamshedpur (Adityapur) auto cluster to gather data on the Key Performance Indicators (KPIs) of their Supply Chain for the last five years (2010–2015) and for the future five years (2016–2021), when the investments that had been suggested began to bear fruit. Using Exploratory Factor Analysis, we examined the systematic covariation between the performance indicator variables over the last five years and the following five years. The gathered metrics had been compared, and recommendations for the auto clusters' supply chains had been made.

The literature further states that MSMEs have an important role in the growth of the economy under the "Make in India" initiative but are facing various issues like poor global integration, slow adaptation to Industry 4.0, financial constraints, and bureaucratic obstacles. Even with the support from government initiatives, there are policy implementation gaps, infrastructure gaps, and credit gaps, especially in the National Capital Region. Strengthening supply chains, enhancing technological capabilities, and access to markets are some of the prime strategic issues relevant for comparative advantage

in an increasingly globalizing world. Future research should focus more on policy effectiveness, regional disparities, and sustainable strategies for MSME growth in the "Make in India" framework.

## 3. OBJECTIVES

i. To assess the influence of the "Make in India" initiative on the production efficiency and expansion trends of MSMEs.

ii. To analyze the role of the "Make in India" initiative in employment opportunities and workforce skill enhancement within the MSME sector.

iii. To evaluate the key obstacles faced by MSMEs in leveraging the benefits of the "Make in India" initiative.

## 4. RESEARCH MODEL

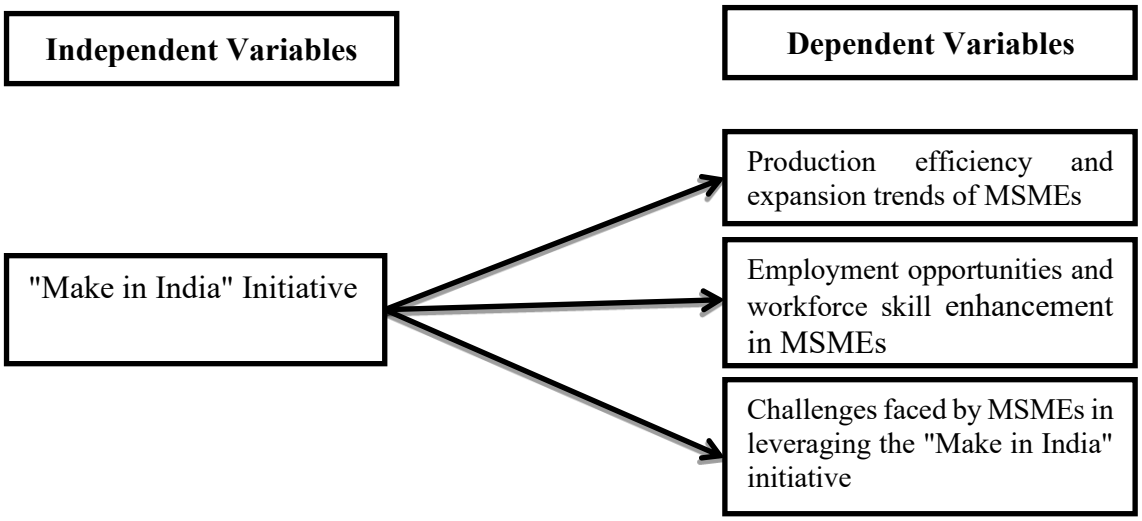


**Figure 1: Research model**

## 5. METHODOLOGY

The study examines how the "Make in India" program has affected micro, small, and medium-sized enterprises (MSMEs) in the National Capital Region (NCR) using a mixed-methods strategy that draws on both primary and secondary sources of information. Primary data collected from structured questionnaires prepared for the owners and managers of MSMEs, and secondary data collected from government reports, academic literature, and previous research studies. A cross-sectional approach characterizes the study strategy, which is both descriptive and analytical. This study collects information from different MSMEs using a stratified random sampling method. Cochran's formula determines a total sample size of 300 respondents with a 95% confidence level. The data analyzes using statistical tools such as SPSS and Excel, where descriptive statistics, regression analysis, and correlation analysis apply to examine key performance indicators, such as production output, employment generation, revenue growth, and foreign trade. Informed consent, data confidentiality, and fair participant selection ensure that ethical considerations are uphold. The study evaluates the MSMEs associated with the "Make in India" initiative on both success and challenges, based on which necessary future policy recommendations and industry improvements are known.

## 6. RESULT

H1a: The "Make in India" initiative significantly influences the production efficiency and expansion trends of MSMEs.

H0a: The "Make in India" initiative does not significantly influence the production efficiency and expansion trends of MSMEs.

**Table 1: Model Summary**

| Model Summary | | | | |
|---|---|---|---|---|
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** |
| **1** | .897[a] | .805 | .804 | 3.07822 |
| **a. Predictors: (Constant),** "Make in India" Initiative | | | | |

Table 1 of the model summary discusses the correlation between the predictors & the dependent variable. The R value of 0.897 shows a robust positive correlation among the variables. The R Squared value of 0.805 indicates that around 80.5% of the variation in the variable that is dependent is explicable by the model, using the "Make in India" campaign as the predictor. The revised R Square measurement of 0.804 reflects the total number of predictors in the equation, indicating a strong alignment with the R Square value. The standard errors of the prediction are 3.07822, indicating the mean deviation between the observed and projected values. This indicates that the equation is well-suited for the data.

**Table 2: ANOVA**

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **Df** | **Mean Square** | **F** | **Sig.** |
| **1** | **Regression** | 14956.013 | 1 | 14956.013 | 1578.398 | .000[b] |
| | **Residual** | 3629.094 | 383 | 9.475 | | |
| | **Total** | 18585.106 | 384 | | | |
| **a. Dependent Variable:** production efficiency and expansion trends of MSMEs | | | | | | |
| **b. Predictors: (Constant),** "Make in India" Initiative | | | | | | |

ANOVA Table 2 evaluates the relevance of the regression equation in forecasting the variable that is dependent, production efficiency and expansion trends of MSMEs. The total regression sum for squares is 14,956.013, using 1 degree of freedom, yielding a mean square for 14,956.013. The F-value of 1578.398 is extremely significant; having a p-value of 0.000, demonstrating that the "Make in India" effort is a robust & statistically significant predictor for MSME production growth and output rates. The remaining number of squares equals 3,629.094, using 383 df, resulting in a mean square of 9.475. The cumulative sum of squares amounts to 18,585.106, accompanied by 384 df.

**Table 3: Coefficients**

| Coefficients[a] | | | | | |
|---|---|---|---|---|---|
| **Model** | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
| | **B** | **Std. Error** | **Beta** | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **1** | **(Constant)** | 1.496 | .814 | | 1.839 | .067 |
| | **"Make in India" Initiative** | .938 | .024 | .897 | 39.729 | .000 |
| **a. Dependent Variable:** Production Output and Growth Rates of MSMEs | | | | | | |

Table 3 displays the unstandardized & standardized coefficients associated with the regression model. The t-value associated with the constant was 1.839, accompanied by the p-value of 0.067, showing the value of the constant lack's statistical significance at the conventional 0.05 threshold. The t-value for the above parameter is 39.729, & the p-value is 0.000, indicating strong significance and demonstrating that the "Make in India" program is a significant indicator of MSME production growth and output rates. The hypothesis Ha1 is accepted, and H01 is rejected, as the "Make in India" initiative significantly contributes to MSME production output and growth rates ($R^2 = 0.805$, p-value = 0.000).

H2b: The "Make in India" initiative has a significant impact on employment opportunities and workforce skill enhancement in the MSME sector.

H0b: The "Make in India" initiative does not have a significant impact on employment opportunities and workforce skill enhancement in the MSME sector**.**

**Table 4: Model Summary**

| **Model Summary** | | | | |
|---|---|---|---|---|
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** |
| **1** | .419[a] | .176 | .173 | 6.56080 |
| **a. Predictors: (Constant),** "Make in India" Initiative | | | | |

Table 4 of the model summary delineates critical metrics from the regression study, using the "Make in India" initiative as the predictor for the dependent variable. The R value of 0.419 indicates a satisfactory positive correlation between the predictor and the dependent variable. An R Square score of 0.176 suggests about 17.6% of the variance in the variable being examined is ascribed to the "Make in India" initiative. The Adjusted R Square score of about 0.173, accounting for the entire number of predictors, suggests a decent fit, although somewhat lower. The standard error towards this estimate appears 6.56080, indicating the average deviation between actual and expected values, which is very substantial, highlighting a potential for improving the model's predictive accuracy.

**Table 5: ANOVA**

| **ANOVA[a]** | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| **1** | **Regression** | 3511.252 | 1 | 3511.252 | 81.573 | .000[b] |
| | **Residual** | 16485.907 | 383 | 43.044 | | |
| | **Total** | 19997.158 | 384 | | | |
| **a. Dependent Variable:** Employment Generation and Skill Development in India | | | | | | |
| **b. Predictors: (Constant),** "Make in India" Initiative | | | | | | |

The ANOVA table 5 evaluates the overall significance for the regression model forecasting "Employment Generation as well as Skill Development in India," using the "Make in India" program as the predictor variable. The regression's total number of squares was 3,511.252, resulting in a mean square for 3,511.252. The F-value of 81.573 is markedly significant; having a p-value of 0.000, signifying that the "Make in India" effort is a statistically significant indicator of job creation and skill development. The residual sum of squares is 16,485.907, using 383 degrees of freedom, whereas the overall sum of squares is 19,997.158, using 384 degrees of freedom. The model appears statistically significant and accounts for a fraction of the variation in the dependent variable.

**Table 6: Coefficients**

| **Coefficients[a]** | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
| | | **B** | **Std. Error** | **Beta** | | |
| **1** | **(Constant)** | 19.441 | 1.734 | | 11.210 | .000 |
| | **"Make in India" Initiative** | .454 | .050 | .419 | 9.032 | .000 |
| **a. Dependent Variable:** Employment Generation and Skill Development in India | | | | | | |

Table 6 of the coefficients shows how the "Make in India" initiative relates to the dependent variable, "Employment Generation & Skill Development in India." Complementing a standard error of 1.734, the unstandardized coefficient (B) for the constant is 19.441. This shows a quite good relationship between the dependent variable and the initiative. With a p-value of 0.000 and a t-value of 9.032 for the program, the "Make in India" campaign is clearly a highly important predictor of job creation as well as skill development in India. The hypothesis Ha2 is accepted, and H02 is rejected, as the "Make in India" initiative significantly impacts employment generation and skill development in India ($R^2 = 0.176$, p-value = 0.000).

H3c: MSMEs encounter significant challenges in effectively utilizing the opportunities provided by the "Make in India" initiative.

H0c: MSMEs do not encounter significant challenges in effectively utilizing the opportunities provided by the "Make in India" initiative.

**Table 7: Descriptive Statistics Table**

| **Descriptive Statistics** | | | |
|---|---|---|---|
| | **Mean** | **Std. Deviation** | **N** |
| **"Make in India" Initiative** | 33.8156 | 6.65322 | 385 |
| **Challenges faced by MSMEs** | 34.3013 | 6.29423 | 385 |

Table 7 of the descriptive statistics reveals that the average perceptions of the "Make in India" initiative and the challenges encountered by MSMEs are comparably aligned. The mean score for the "Make in India" initiative is 33.82, accompanied by a standard deviation of 6.65, indicating a moderately uniform level of engagement or awareness among respondents. Conversely, the challenges faced by MSMEs exhibit a marginally elevated mean score of 34.30, with a standard deviation of 6.29, denoting a similar degree of variability.

**Table 8: Correlations Table**

| Correlations | | | |
|---|---|---|---|
| | | **"Make in India" Initiative** | **Challenges faced by MSMEs** |
| **"Make in India" Initiative** | Pearson Correlation | 1 | .516** |
| | Sig. (2-tailed) | | .000 |
| | N | 385 | 385 |
| **Challenges faced by MSMEs** | Pearson Correlation | .516** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 385 | 385 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Correlation table 9 reveals a moderate positive association among the "Make in India" initiative as well as the challenges encountered by MSMEs, evidenced by a Pearson correlation coefficient of 0.516. The p-value of 0.000 substantiates that this correlation was statistically significant at the 0.01 level, indicating a substantial connection between the two factors, despite the positive correlation implying that both variables tend to increase concurrently. The hypothesis Ha3 is accepted, and H03 is rejected, as the "Make in India" initiative faces significant challenges in supporting MSMEs, evidenced by a moderate positive correlation (r = 0.516, p-value = 0.000).

## 7. FINDINGS AND DISCUSSION

### *7.1 Findings*

Findings based on the outcome reveal a high and statistically significant effect of the "Make in India" program on the performance and growth of MSMEs in the National Capital Region. The regression analysis indicates an R-square value of 80.5%, showing that most of the variation in the production output and growth rates of MSMEs is accounted for by the initiative. This is in keeping with the theory of endogenous growth, which highlights the contribution of policy interventions and investments toward industrialization. However, the relatively lower explanatory power of the initiative in employment generation as well as skill development at about 17.6% reveals that the economic growth "Make in India" affords is not solely responsible for job creation and workforce development but other structural and policy factors, in tandem with human capital theory. The medium positive correlation coefficient of 0.516 indicates that, for MSMEs, government initiative and challenge often go together and reflect the inherent paradox of industrial development—promoting growth opportunity while simultaneously making business susceptible to regulatory, financial, and operating constraints. Institutional theory views economic reforms induced through policies would gain better implementation when accompanied by some institutional support to counteract their negative consequences. Overall, the study underlines the need for an appropriate balance between economic initiatives and supportive policies in order to make MSMEs in India more sustainable and competitive.

### *7.2 Discussion*

Current study analysis is concurrent with similar studies on the effects of government-led industrial initiatives toward the growth of MSMEs. However, it also brings out some differences in how effectively various economic dimensions are addressed. While the same findings were drawn from Shetty & Bhat, (2022), which revealed a relation between government policies and MSME growth in India, this study found that the value of R-square is 80.5%, meaning that the "Make in India" initiative has indeed positively affected production output growth rates. This supports endogenous growth theory that policy interventions bear critical sectorial impacts that can drive industrial expansion through fostering innovations, investments, and accessibility in the market. However, unlike Bath, (2018), who found employment generation was one of the strongest outcomes of "Make in India," this study revealed a moderate relationship (R-square = 17.6%), therefore showing that while the initiative supports MSMEs, job creation would need much more structural interventions. This might be because of the fact that the employment generation power of MSMEs is low. It might be because of automation, mismatched skills, and low absorptive capacity of MSMEs in employing more and more workers. Thus, the study concludes that with complementary policies, like vocational training programs, entrepreneurship development schemes, and labor market reforms, the employment outcomes would also be enhanced with industrial growth.

Further, MSMEs' issues, as revealed through the moderate-positive correlation of 0.516, that exists between "Make in India" initiative and business constraints, resonate with earlier studies showing that certain industrial policy implementations bear unintended results. Jha, (2020) revealed that although government initiatives created growth opportunities, it equally opened a business to liquidity problems, regulatory bottlenecks, and infrastructural constraints that also bar development sustainability. Another similarity in this regard would be that Chang et al., (2019) contended that access to credit, intricate procedures of complying, and supply chain interference are some of the persistent challenges experienced by MSME under the "Make in India." The findings of this study resonate with these findings and indicate that though MSMEs benefit through the initiative, significant operational and financial stresses face them. All these challenges need a multi-faceted approach with policy simplification, enhanced access to finance, infrastructure development, and digital transformation initiatives that suit MSMEs. Future studies could look at sector-specific variations to understand better how different sectors respond to such initiatives and what additional measures could be implemented to optimize the benefits of "Make in India" for MSME growth and employment generation.

## 8. CONCLUSION

The current study discusses the impact of the "Make in India" initiative on MSMEs with regards to the generation of employment, production output, and problems in MSMEs. Results from the research found that the "Make in India" initiative positively contributes to the production output of MSMEs and its growth, as indicated by a high positive relationship b/w the independent variable & the dependent variable. While the initiative keeps promise with regard to the growth of MSMEs, its influence on employment generation and skill development is moderate and less impactful. Additionally, the study indicated a connection wherein increased participation in the initiative correlates with a perception of a greater challenge, suggesting that in addition to the positive effects arising from the initiative, there are challenges for MSMEs that need to be addressed carefully in the overall interest of the initiative.

### *8.1 Implications*

The findings of this study are, therefore, relevant to policymakers and MSME stakeholders. To the former, they highlight the urgency of a range of support systems that extend well beyond financial to include structural improvements, such as the adoption of new technologies, skill development, and improvement of infrastructure. The very strong association of MSME growth with the "Make in India" initiative implies that such initiatives can be crucial for stimulating growth, but interventions targeted at easing challenges would need to be implemented. Such initiatives, of course, could have a high pay-off for the MSMEs, specially manufacturing and technology-based sectors, though they will have to learn how to address the challenges that come their way.

### *8.2 Limitations*

The study is limited to the "Make in India" initiative alone, which limits analysis of other factors that could be influencing such as availability of financing, technological infrastructure, or market dynamics from other parts of the world. Also, cross-sectional design precludes an effect of long-term developments, and this study does not incorporate any study on industry-specific differentiations because various sectors might gain in varying proportions. The study mainly captures the perception of challenges faced by MSMEs but does not go deep into the underlying causes of these challenges or offer a comparative analysis of MSMEs in different regions.

### *8.3 Suggestions for Future Research*

Further studies could be carried out to see the specific effects of "Make in India" on various sectors within the MSME landscape because some industries have different needs or challenges. Longitudinal studies would provide more insight into long-term effects and, therefore, a better understanding of sustainability. Further enrichment of the analysis could include investigating how complementary policies like "Atmanirbhar Bharat" (Self-Reliant India), and other local initiatives contribute toward growth in MSMEs. Future studies could look into the regional variations in MSME performance, including between urban and rural sectors, to understand how different localized factors and influences play a role in the effects of national initiatives

## REFERENCES

[1] Ali, A., Ullah, H., & Jan, S. (2023). Barriers and Strategies of Financial Inclusion of SMEs: A Lender and Borrower Perspective of Khyber Pakhtunkhwa. International Journal of Social Science Archives (IJSSA), 6(3).

[2] Alok, D., & Verma, S. (2020). Micro, Small and Medium Enterprises (Msmes) And Their Contribution to The Indian Economy. Business Management, 145.

[3] BALODI, B. (2021). Labour market outcomes: A comparative study of general and vocational education graduates.

[4] Bath, H. K. (2018). An Analysis of Financial Factors Affecting the Performance of Selected SMEs With Special

Reference to Maharashtra State (Doctoral dissertation, Maharaja Sayajirao University of Baroda (India)).

[5] Chalavadi, S. (2024). Analysing Innovative Idea of'Make In India': India's Journey from 10th Largest to 5th Largest Economy (Doctoral dissertation, University of Wales Trinity Saint David).

[6] Chang, K., Zeng, Y., Wang, W., & Wu, X. (2019). The effects of credit policy and financial constraints on tangible and research & development investment: Firm-level evidence from China's renewable energy industry. Energy policy, 130, 438-447.

[7] Garg, A. (2020). Production Linked Incentive Scheme in Mobile Manufacturing in India. AAYAM: AKGIM Journal of Management, 10(2), 1-8.

[8] Gopan, P. K., & Singh, A. (2024). Impact of Government Policies on the Growth of Start-ups in Delhi NCR. Journal of Management and Public Policy, 15(4), 48-59.

[9] Goswami, M., & Daultani, Y. (2022). Make-in-India and industry 4.0: Technology readiness of select firms, barriers, and socio-technical implications. The TQM Journal, 34(6), 1485-1505.

[10] Hitchen, G., Bhattacharjee, K., Chaudhuri, D., Dasgupta, R. K., Jordan, J., & Roychowdhury, A. (2023). Creative Industries in India Mapping Study.

[11] Jha, A. K. (2020). Inclusive development through micro, small and medium enterprises. Arya Bhatta Journal of Mathematics and Informatics, 12(2), 135-138.

[12] Khan, N. (2017). Proposal of strategies for the implementation of the spanish construction companies in India.

[13] Kumar, R. (2025). MAKE IN INDIA: CHALLENGES AND OPPORTUNITIES.

[14] Manida, M., & Arumugam, U. (2024). Development Facets of Micro, Small, and Medium Enterprises in India. Development, 5(1), 29-35.

[15] Mishra, J. P., & Khanna, U. The Dynamic Role of MSMEs in India's Economic Growth: A Mixed-Methods Analysis of Challenges, Contributions and Future Prospects.

[16] Mukherjee, S. (2018). Challenges to Indian micro small scale and medium enterprises in the era of globalization. Journal of Global Entrepreneurship Research, 8, 1-19.

[17] Nanda, P., & Kumar, V. (2023). Development of MSMEs in India: challenges vs. Govt policies. International Journal of Technology, Policy and Management, 23(3), 245-267.

[18] O'Neill, P. (2018). Benefits, challenges, and trends for regional transport connectivity in Asia. Handbook of International Trade and Transportation, 566-601.

[19] Pulicherla, K. K., Adapa, V., Ghosh, M., & Ingle, P. (2022). Current efforts on sustainable green growth in the manufacturing sector to complement "make in India" for making "self-reliant India." Environmental Research, 206, 112263.

[20] Rajalakshmi, G. R., Manivel, R., Parimaladevi, R., Divya, M., Ashoke, T. H., & Gowrishankar, R. (2024). Rural Entrepreneurship: Macro Environmental Factor Impact on the Success of Micro, Small, and Medium-Sized Enterprises (MSME's). In Harnessing AI, Machine Learning, and IoT for Intelligent Business: Volume 1 (pp. 935-944). Cham: Springer Nature Switzerland.

[21] Raju, K., & Peri, P. GROWTH STRATEGY FOR MSMEs IN DEFENCE SECTOR TO BE SELF RELIANT.

[22] Ramachandran, S., Chandramohan, B. P., & Taibangnganbi, N. (2024). Integrating Indian MSMEs Into Global Value Chain: Determinants and Challenges. Library Progress International, 44(3), 16733-16747.

[23] Sangwan, A. (2016). Status and challenges of manufacturing sector of India and'Make in India'initiative of government of India. International Journal of Education and Management Studies, 6(4), 469.

[24] Shaik, M. B. (2017). Growth, performance of MSMEs and its role in make in India. International Journal of Management and Development Studies, 6(6), 54-62.

[25] Shelly, R., Sharma, T., & Bawa, S. S. (2020). Role of micro, small and medium enterprises in Indian economy. International Journal of Economics and Financial Issues, 10(5), 84.

[26] Shetty, M. O., & Bhat, G. (2022). A Performance Analysis of Indian MSMEs. International Journal of Applied Engineering and Management Letters (IJAEML), 6(2), 197-216.

[27] Tandon, A. (2023). Analysis of Performance and Challenges of India's Manufacturing Sector in The Global Market.

[28] Tripathy, A., & Dastrala, S. M. (2023). Make in India: So Far and Going Ahead. IIM Bangalore Research Paper, (674).

[29] Vallabh, G., & Tati, R. K. (2016). Impact of make in India on the msme supply chain-a study of the Jamshedpur

auto cluster. Int. J. Appl. Bus. Econ. Res, 14, 4919-4929.

[30] Verma, T. L. (2020). Role of MSMEs in poverty alleviation and rural development in India. International Journal of Multidisciplinary Research and Development, 7(9), 61-65.

[31] Wairimu, W. W. (2015). Micro, small and medium-size enterprises (MSMEs) as suppliers to the extractive industry. United Nations Development Programme Report.

[32] Wandhe, D. P. (2024). An Overview on Production Linked Incentive (PLI) Scheme by The Government of India. Available at SSRN 4693578.

[33] Widjaja, I., Sudarmiatin, S., & Wardana, L. W. (2024). Agility Strategy and Risk Management as Support for Sustainable MSME Performance to Achieve MSME SDGs: A Literature Review. International Journal Business, Management, and Innovation Review, 1(4), 59-81.

[34] Yadav, S. K. S. (2012). Impact of real estate market in the development of National Capital Region (NCR)-an analytical study. Lokavishkar International E-Journal, 1(4), 50-71.

[35] Nag, B., Bhattacharyay, B. N., & De, D. (2015). Integrating India with Asian production networks: Prospects and challenges.