Industrial Development after 2014 in the Indian Economy: Growth Rate, GDP & Employment Formation

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Abstract
The post-2014 period marks a significant shift in India's industrial policy, spearheaded by flagship initiatives like 'Make in India' and later the 'Aatmanirbhar Bharat Abhiyan' (Self-Reliant India mission). The primary goal has been to transform India from a service-driven economy into a global manufacturing hub, contributing substantially to GDP, accelerating economic growth, and creating large-scale employment. Initially, industrial growth faced structural headwinds, which were compounded by the global and domestic disruptions of the COVID-19 pandemic. However, the period has also seen robust policy interventions, including the introduction of the Goods and Services Tax (GST) and the Productivity-Linked Incentive (PLI) schemes. This summary will analyze the trajectory of industrial growth, the impact on key economic indicators like GDP and employment formation, and the continuity of these policies towards achieving the ambitious $5 Trillion Economy goal. It evaluates the success of integrating 'Vocal for Local' and self-reliance into the industrial narrative, concluding that while challenges in employment generation and global competitiveness remain, the foundational policies for long-term, sustained industrial development are firmly in place. Since 2014, India's industrial development has undergone a significant structural and policy-driven transformation. The period marks a shift toward manufacturing-led growth, improved ease of doing business, infrastructure expansion, digitalization, and integration with global value chains. The Government of India initiated several flagship programmes—such as Make in India, Skill India, Digital India, Startup India, Atmanirbhar Bharat, and Production Linked Incentive (PLI) schemes—to revive industrial growth, enhance productivity, and generate employment. These initiatives aimed to address long-standing challenges including low manufacturing share in GDP, inadequate job creation, regional imbalances, and dependence on imports. The manufacturing sector emerged as a central pillar of industrial policy after 2014. Policy reforms focused on improving the business environment through simplification of regulations, rationalization of taxes via the Goods and Services Tax (GST), liberalization of Foreign Direct Investment (FDI) norms, and strengthening of industrial corridors and logistics networks. As a result, India witnessed gradual improvements in manufacturing output, capacity utilization, and export competitiveness, particularly in sectors such as automobiles, pharmaceuticals, electronics, textiles, defense production, and renewable energy equipment. Industrial development during this period also played a crucial role in GDP growth. Although services continued to dominate India's economic structure, industry—especially manufacturing—contributed steadily to overall economic expansion. Large-scale infrastructure investments in roads, ports, power, railways, and urban development stimulated industrial demand and crowd-in private investment. The push for localization under Vocal for Local and Atmanirbhar Bharat further strengthened domestic supply chains and reduced import dependence in critical sectors. Employment generation remained a key objective of industrial policy. The expansion of manufacturing, MSMEs, construction, logistics, and digital platforms created new employment opportunities across skill levels. Government initiatives in skilling and entrepreneurship aimed to align workforce capabilities with industrial requirements. While

job creation faced challenges due to automation and informalization, the industrial ecosystem showed resilience and adaptability, especially during the post-COVID recovery phase. The COVID-19 pandemic posed an unprecedented shock to industrial activity, disrupting supply chains, demand, and labor markets. However, timely fiscal and monetary interventions, production incentives, and structural reforms supported a recovery path. The renewed emphasis on self-reliance, export competitiveness, and innovation positioned Indian industry for medium- to long-term growth. Overall, industrial development after 2014 reflects a strategic attempt to transform India into a globally competitive manufacturing and industrial hub. The journey toward the $5 trillion economy vision underscores the importance of sustained industrial growth, employment generation, technological upgradation, and policy continuity.

Keywords

- Industrial Development
- Manufacturing Growth
- Make in India
- Employment Generation
- Indian Economy

Preface

India's industrial journey since 1991 has been one of gradual liberalization. However, the agenda post-2014 focused on accelerated manufacturing growth to capture a greater share of global supply chains. The government acknowledged that sustained, high-quality job creation, essential for a young population, could not be achieved by the services sector alone. This necessitated a renewed focus on manufacturing. The launch of the 'Make in India' initiative in 2014 was a symbolic declaration of intent, aiming to improve the Ease of Doing Business, attract Foreign Direct Investment (FDI), and designate 25 key sectors for growth. This strategic shift was underpinned by investments in infrastructure (the 'National Infrastructure Pipeline') and digital transformation. The Preface outlines the context—a large, young, aspiration population—and the challenge—a historically low manufacturing share of GDP. It sets the stage for the subsequent analysis by defining the core objectives: boosting the manufacturing sector's contribution to GDP to 25% and creating 100 million new jobs by 2022 (a target later recalibrated due to economic realities and the pandemic). The industrial development story of this decade is thus a mix of proactive policy, global economic volatility, and a strong push for domestic capacity building. Industrial development has historically been recognized as a driving force of economic transformation, structural change, and employment generation. In the Indian context, the period after 2014 represents a decisive phase marked by renewed policy focus on strengthening the industrial base. The government acknowledged that long-term economic growth cannot be sustained solely through services and consumption, and that a robust manufacturing and industrial ecosystem is essential for inclusive development. Before 2014, Indian industry faced several structural constraints such as complex regulatory frameworks, infrastructure bottlenecks, low productivity, and limited integration with global value chains. The manufacturing sector's share in GDP remained stagnant, and employment generation lagged behind the growing labor force. Recognizing these challenges, the post-2014 policy regime emphasized reforms aimed at improving competitiveness, attracting investment, and fostering innovation. The launch of Make in India in 2014 signaled a paradigm shift in industrial policy. It sought to position India as a global manufacturing destination by encouraging domestic and foreign investment, enhancing skill development, and building world-class infrastructure. Complementary initiatives such as Skill India and Digital India supported the creation of a modern industrial workforce and digitally enabled enterprises. Another major reform was the introduction of GST, which unified the national market and reduced logistical inefficiencies. The Insolvency and

Bankruptcy Code (IBC) improved credit discipline and capital allocation, while FDI liberalization opened new avenues for technology transfer and global integration. Industrial corridors, smart cities, and logistics parks further strengthened the industrial ecosystem. The concept of Atmanirbhar Bharat or self-reliant India gained prominence, especially after the COVID-19 pandemic. Rather than promoting isolationism, the policy emphasized building domestic capabilities, reducing strategic import dependence, and enhancing export competitiveness. The Vocal for Local campaign reinforced this approach by encouraging consumption of domestically produced goods. This study examines industrial development in India after 2014 with a focus on growth rates, GDP contribution, and employment formation. It analyzes key policy initiatives, sectoral performance, challenges, and future prospects. Understanding this phase is crucial for evaluating India's economic trajectory and its aspirations of becoming a $5 trillion economy.

Industrial Development & Make in India Promotion

The "Make in India" initiative, launched on 25 September 2014, was envisaged as a catalyst for transforming India into a global manufacturing hub. The campaign's core pillars—new processes, new infrastructure, new sectors, and new mindset—aimed to attract $100 billion in FDI and generate 100 million jobs by 2022. While the original timeline has been revised, the initiative's impact is discernible across several dimensions.

Policy Alignment with Atmanirbhar Bharat

In 2020, the government introduced the "Atmanirbhar Bharat" (Self-Reliant India) policy, which dovetailed with "Make in India" by emphasising domestic value addition, reduced import dependence, and strategic sectoral self-sufficiency. The convergence of these agendas is evident in the PLI schemes, which explicitly target import-substituting sectors such as mobile phones, telecom equipment, and advanced chemistry cells (ACC).

Sector-Specific Outcomes

- **Electronics**
  India's electronics production rose from $30 billion in 2014 to $95 billion in 2023, largely due to PLI incentives for mobile phone manufacturing. The country now accounts for 3 % of global mobile phone output, up from 0.5 % a decade ago.
- **Automotive**
  The automotive sector witnessed a 6 % compound annual growth rate (CAGR) in production, driven by increased domestic demand and export of electric vehicles (EVs). The government's Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME) scheme complemented "Make in India" by encouraging local EV component manufacturing.
- **Pharmaceuticals**
  With a 9 % CAGR, India's pharmaceutical exports crossed $30 billion in 2023, reinforcing its position as the world's pharmacy. The "Make in India" focus on active pharmaceutical ingredients (APIs) has begun to reduce reliance on Chinese imports.

Challenges and Constraints

- **Infrastructure Bottlenecks**
  Logistics costs remain high at 13 % of GDP, compared with the global average of 8 %. Delays at ports and inadequate warehousing hinder just-in-time manufacturing.
- **Skill Deficiency**
  Despite the Skill India programme, a mismatch persists between the skills demanded by modern factories and those possessed by the workforce. The World Bank estimates a shortage of 5 million technically skilled workers in manufacturing by 2025.
- **Regulatory Complexity**
  While GST simplified indirect taxes, compliance with multiple state-level regulations continues to pose challenges for small and medium enterprises (SMEs).

Future Outlook

The "Make in India" initiative, reinforced by Atmanirbhar Bharat and PLI, is poised to gain momentum as global supply chains diversify away from China. To realise its full potential, the government must accelerate infrastructure development, enhance vocational training, and streamline regulatory processes. If these measures are implemented, the initiative could raise manufacturing's GDP share to 20 % by 2030, creating an estimated 30 million additional jobs.

COVID-19 & Recovery of the Indian Economy

The COVID-19 pandemic, which struck India in early 2020, precipitated an unprecedented economic contraction. Real GDP shrank by 7.3 % in FY 2020-21, the deepest recession in four decades. The industrial sector bore the brunt, with manufacturing output falling by 9.2 % year-on-year in Q2 2020-21 (RBI, 2021). However, the subsequent recovery has been swift, driven by a combination of fiscal stimulus, monetary easing, and structural reforms.

Fiscal Measures

The government announced a ₹20 trillion stimulus package (approximately 10 % of GDP) under the "Atmanirbhar Bharat" umbrella, earmarking funds for micro-small-medium enterprises (MSMEs), healthcare, and infrastructure. The "Emergency Credit Line Guarantee Scheme" (ECLGS) unlocked ₹4.5 trillion of credit, preventing widespread defaults.

Monetary Policy

The Reserve Bank of India (RBI) slashed the repo rate from 5.15 % to 4 % in March 2020 and introduced targeted long-term repo operations (TLTROs) to inject liquidity into the banking system. These measures helped lower borrowing costs and supported industrial revival.

Sectoral Impact and Recovery

- **Manufacturing:** Output rebounded to pre-pandemic levels by Q4 2021-22, registering a 12 % YoY growth. The PLI schemes, coupled with a surge in domestic demand for consumer goods, were key drivers.
- **Construction:** The sector experienced a V-shaped recovery, aided by government-led infrastructure projects under the National Infrastructure Pipeline (NIP).
- **Services:** While tourism and hospitality remained subdued, the digital services sector expanded by 25 % in FY 2021-22, reflecting the accelerated digital transformation.

Employment Effects

The pandemic led to an estimated loss of 10 million jobs, primarily in informal and contract work. However, the recovery phase witnessed a gradual re-absorption, with the unemployment rate falling from 8.5 % in April 2020 to 6.3 % in March 2024 (Ministry of Labour, 2024).

Resilience and Lessons

India's relatively swift recovery underscores the importance of fiscal flexibility, robust monetary policy, and targeted support for vulnerable sectors. The experience has prompted a re-evaluation of supply-chain resilience, leading to a renewed emphasis on domestic production of critical goods such as pharmaceuticals and personal protective equipment (PPE).

Dream of a $5 Trillion Economy & Journey to Achievement

The aspiration to transform India into a $5 trillion economy by 2025 was articulated by Prime Minister Narendra Modi in 2019, representing a near-doubling of the nominal GDP from $2.9 trillion in 2019-20. Achieving this target demands sustained annual growth of approximately 8 % in nominal terms, considering inflation and population growth.

Growth Path Required

Historical data shows that India's nominal GDP grew at an average of 7 % per annum between 2014-15 and 2019-20. To reach $5 trillion by 2025, the economy must accelerate to an average of 9 % nominal growth, equivalent to about 6.5 % real growth, given an inflation target of 4 %.

Key Drivers

- **Industrial Expansion**
  Raising the manufacturing share to 20 % of GDP, as outlined in the "Make in India" roadmap, would contribute roughly 1.5 percentage points to annual growth.
- **Digital Economy**
  The digital sector, projected to reach $1 trillion by 2025, could add an additional 0.8 percentage points.
- **Infrastructure Investment**
  The NIP, with a projected outlay of ₹111 trillion, aims to raise investment-to-GDP ratio from 31 % to 36 %, spurring productivity gains.

Progress to Date

As of FY 2023-24, nominal GDP stood at $3.4 trillion, implying a shortfall of $1.6 trillion. The compounded annual growth rate (CAGR) over the past five years (2019-20 to 2023-24) has been 6.2 %, below the required 9 % nominal target. However, the introduction of PLI, the push for renewable energy, and the formalisation of the economy through GST and digital payments have created new growth engines.

Challenges

- **Global Headwinds** – Tightening monetary policies in advanced economies, geopolitical tensions, and volatile commodity prices could dampen export demand.
- **Domestic Structural Constraints** – Land acquisition, labour market rigidity, and skill mismatches continue to impede investment.
- **Fiscal Sustainability**
  Elevated public debt (around 90 % of GDP) limits the fiscal space for large-scale stimulus.

Outlook

If the government accelerates structural reforms, maintains macro-economic stability, and leverages the digital and green economies, reaching the $5 trillion milestone by 2030 (rather than 2025) appears realistic. The journey, however, will require coordinated policy action across sectors and sustained private sector confidence.

Growth Rate of the Last 5 Years

The period FY 2019-20 to FY 2023-24 witnessed a mixed growth pattern, shaped by the pandemic and subsequent recovery:

Estimates based on RBI's provisional data.

The sharp contraction in 2020-21 was followed by a robust rebound in 2021-22, driven by base effects and fiscal stimulus. Growth moderated in 2022-23 as stimulus tapered and global inflation surged. The 2023-24 outlook reflects a steady, albeit slower, expansion as the economy adjusts to higher interest rates and lingering supply-chain disruptions.

Employment Formation & Opportunities in Different Sectors (≈ 500 words)Employment generation post-2014 has been uneven across sectors. The overall labour force participation rate (LFPR) rose modestly from 46 % in 2014 to 48 % in 2023, reflecting both demographic pressures and incremental job creation.

Manufacturing

The sector added approximately 4 million jobs between 2014 and 2023, with the automotive and pharmaceutical sub-sectors accounting for the bulk. However, automation and capital-intensive production limited net job growth, resulting in an employment elasticity of 0.3.

Services

Services remain the primary engine of employment, absorbing over 55 % of the workforce. The IT-BPM sector alone employed 5 million workers in 2023, while the rapidly expanding e-commerce and fintech ecosystems created an additional 2 million jobs, many of them in gig and platform work.

Construction & Infrastructure

Government-led infrastructure programmes generated around 3 million jobs, though a significant portion were temporary and contractual.

Agriculture

Agriculture's share in total employment fell from 49 % to 42 % over the decade, reflecting gradual structural transformation. However, the absolute number of agricultural workers remained high due to population growth.

Emerging Sectors

- **Renewable Energy:** The solar and wind sectors employed roughly 1 million workers by 2023, with projections of 2 million by 2030 under the National Solar Mission.
- **Digital Services:** The growth of digital platforms has spurred demand for content moderators, data annotators, and customer support staff, creating a nascent but fast-growing employment pool.

Challenges

- Skill Mismatch – A World Bank survey (2023) indicated that 60 % of employers reported a shortage of skilled labour in advanced manufacturing and digital domains.
- Informality – Over 80 % of new jobs created between 2014 and 2023 were in the informal sector, lacking social security benefits.
- Gender Gap – Female labour force participation remains low at 23 %, highlighting the need for targeted skill-training and workplace safety measures.

Growth of Manufacturing Sector

The manufacturing sector has been a focal point of India's industrial strategy since 2014. Efforts were directed toward increasing its share in GDP, enhancing productivity, and expanding employment. Policy initiatives improved the ease of doing business, reduced regulatory burdens, and encouraged both domestic and foreign investment. Sectors such as automobiles, pharmaceuticals, electronics, chemicals, food processing, and textiles recorded notable growth. The PLI schemes introduced targeted incentives linked to output and value addition, helping India emerge as a competitive producer in electronics, mobile phones, pharmaceuticals, and renewable energy components. Manufacturing output benefited from improved infrastructure, stable macroeconomic policies, and greater market access. Although global uncertainties and domestic challenges affected growth momentum at times, the manufacturing sector demonstrated resilience. Its expansion contributed to industrial diversification, export growth, and technological upgrading, reinforcing its role in India's economic development. The manufacturing sector's growth has been uneven. While the 'Make in India' initiative successfully boosted FDI inflows, the actual share of manufacturing in India's GDP remained stubbornly around 15-17%, falling short of the stated 25% goal. Key policy steps that influenced growth include.

GST Implementation (2017)

Simplified the indirect tax structure, creating a unified national market and improving logistics efficiency.

Ease of Doing Business: Consistent efforts led to India significantly improving its ranking in the World Bank's index (from 142 in 2014 to 63 in 2020), attracting investor confidence.

PLI Schemes (Post-COVID): The most recent and impactful policy, offering incentives on incremental production to domestic and foreign companies across 14 key sectors (e.g.,

electronics, pharma, automobiles). This scheme is designed to create 'National Manufacturing Champions' and attract large investments in high-tech areas like mobile phone assembly.
The sector has seen strong growth in specific areas like electronics assembly, particularly mobile phones, which have seen rapid import substitution and growth in exports. However, traditional labor-intensive sectors like textiles and leather have grown slower, affecting overall employment numbers.

Industrial Development & Make in India

ake in India aimed to transform India into a global manufacturing hub. The initiative focused on 25 key sectors, promoting investment, innovation, and skill development. Policy reforms simplified licensing procedures, liberalized FDI norms, and enhanced intellectual property protection. The program improved investor confidence and attracted multinational companies to set up manufacturing facilities in India. It also encouraged MSMEs to integrate into global value chains. While challenges remain, Make in India significantly reshaped India’s industrial policy landscape. 'Make in India' was the cornerstone of the government's industrial strategy. It focused on four pillars:

- **New Processes**: Simplifying procedures and de-licensing.
- **New Infrastructure**: Industrial corridors, smart cities, and enhanced connectivity.
- **New Sectors**: Opening up sectors like Defence and Railways for private and foreign investment.

New Mindset: Fostering a partnership between government and industry.
The initiative successfully positioned India as a more attractive investment destination, leading to record FDI inflows. The focus shifted the conversation from exports-only to domestic value creation. Success stories include the Defence production sector, where the negative import list boosted indigenous production, and the automotive industry, which received policy support for Electric Vehicles (EVs). However, critics point out that the policy did not significantly improve the capital-intensive nature of Indian manufacturing, leading to 'jobless growth' in some high-value areas.

Promotion from Whole to Local – Vocal for Local

The Vocal for Local campaign emphasized strengthening domestic industries and promoting indigenous products. It aimed to support MSMEs, artisans, and local manufacturers by improving market access and quality standards. This approach enhanced domestic demand, reduced import dependence, and encouraged innovation at the grassroots level. Vocal for Local complemented globalization by building strong domestic foundations for global competitiveness. The 'Vocal for Local' campaign, launched as part of the Aatmanirbhar Bharat Abhiyan, is a cultural and economic policy initiative aimed at strengthening domestic demand and supply chains. It encourages Indian citizens to purchase locally manufactured products.

- **Economic Impact**
  It provides a direct demand push to Micro, Small, and Medium Enterprises (MSMEs), which are crucial for employment. It helps in import substitution, especially for non-essential goods.
- **Policy Integration**
  This concept is deeply integrated with government procurement policies, where preference is given to local suppliers (Public Procurement Policy for Preference to Make in India).
- **Global Connection**
  It is clarified by the government as not a protectionist measure against global trade but a push for global-standard, locally-made goods—"local production for global consumption." Its success is tied directly to the growth of MSMEs and their ability to scale up and maintain quality.

Self-Reliant India Policy & PM Narendra Modi

The Atmanirbhar Bharat policy focused on building domestic capabilities across strategic sectors. Under the leadership of PM Narendra Modi, the policy emphasized reforms, resilience, and self-sufficiency. The approach combined fiscal stimulus with structural reforms, promoting manufacturing, infrastructure, and digitalization. It reinforced India's industrial and economic sovereignty. The Aatmanirbhar Bharat Abhiyan (Self-Reliant India Mission), announced by Prime Minister Narendra Modi, is a strategic evolution of 'Make in India', launched in the wake of the COVID-19 pandemic. It aims for economic resilience and strategic independence.

Five Pillars: Economy, Infrastructure, System, Demography, and Demand.

- **Focus**
  It moved beyond just manufacturing to include supply chain resilience, strategic sectors (e.g., medical devices, Active Pharmaceutical Ingredients - APIs), and institutional reforms.
- **Impact**
  The policy was accompanied by a massive Rs 20 Lakh Crore economic package focused on liquidity, credit guarantee schemes for MSMEs, and structural reforms in sectors like coal, space, and agriculture. The core idea is to ensure India is not unduly reliant on single-country supply chains, a lesson learned during the pandemic. The PLI schemes are the primary industrial tool under this mission.

COVID-19 & Recovery of Indian Economy

The COVID-19 pandemic delivered a severe shock, leading to a historic contraction in GDP in Q1 FY 2020-21. Industrial production was halted, and supply chains were fractured.

V-Shaped Recovery: India experienced a relatively swift 'V-shaped' recovery, driven by staggered lockdowns, a strong push for capital expenditure by the government, and resilient rural demand.

Policy Response: The immediate policy response was a mix of monetary easing and the Aatmanirbhar Bharat package, which focused on ensuring MSMEs had access to credit and minimizing bankruptcies.

Manufacturing Resilience: The manufacturing sector, post-lockdown, showed strong rebound capacity, particularly in sectors where global supply chains were shifting away from other countries, providing an opportunity for India. The pandemic ironically accelerated the adoption of the PLI schemes to seize these global supply chain shifts.

Dream of $5 Trillion Economy & Journey to Achievement

The goal of achieving a $5 Trillion GDP by FY 2024-25 (a target initially set before the pandemic) is central to the government's economic vision. The industrial sector is expected to be a major contributor.

- **Requirement**
  To reach this figure, India needs sustained, real annual GDP growth of approximately 8-9%.
- **Manufacturing Role**
  The manufacturing sector is expected to grow at an even faster clip, pushing its contribution towards the aspirational 25% mark.
- **Journey**
  The path involves leveraging demographics, increasing capital formation, and ensuring policy certainty. Key drivers include public capital expenditure on infrastructure, private sector investment catalyzed by the PLI schemes, and stability achieved through the GST framework. The vision of a $5 trillion economy underscores the importance of sustained industrial growth. Manufacturing, infrastructure, and exports are central to this goal. Industrial development supports

productivity, employment, and income growth, forming the backbone of this ambitious economic vision.

GDP Growth & its Continuity

India's average GDP growth rate has been respectable post-2014, although marked by pre-COVID slowdown and the pandemic shock.

- **Pre-COVID**
  Growth moderated due to factors like the twin balance sheet problem (NPAs in banks and over-leveraged corporates) and a slowdown in consumption.
- **Continuity**
  The continuity in high growth hinges on structural factors. The government's focus on capital expenditure (CapEx) is the core strategy to ensure continuity. CapEx has a high multiplier effect, crowding in private investment and boosting demand across core industrial sectors (steel, cement, construction). Financial sector clean-up through the Insolvency and Bankruptcy Code (IBC) and recapitalization of banks also support long-term growth continuity. The last five years (roughly FY 2019-20 to FY 2023-24) encapsulate significant volatility and recovery.

FY 2019-20: Pre-COVID slowdown.

- FY 2020-21: Deep contraction due to the pandemic.
- FY 2021-22 & 2022-23: Strong rebound driven by low base effect and pent-up demand.
- Data Points: Provide approximate GDP growth figures for these years (e.g., FY 2020-21: -6.6%; FY 2022-23: ~7.2%).
- Analysis: The actual growth rate for the industrial sector during this period has been volatile. The strong performance in core sectors during the rebound suggests that capacity utilization is improving, which is critical for future sustained growth.

Employment Formation & Opportunities in Different Sectors

- **COVID-19 & Recovery of Indian Economy**
  The COVID-19 pandemic disrupted industrial activity, supply chains, and employment. Lockdowns and global uncertainties led to contraction in output. However, policy interventions such as stimulus packages, liquidity support, and reforms facilitated recovery. Industrial production rebounded, supported by infrastructure spending and export demand.
- **Dream of $5 Trillion Economy & Journey toward Achievement**

The vision of a $5 trillion economy underscores the importance of sustained industrial growth. Manufacturing, infrastructure, and exports are central to this goal. Industrial development supports productivity, employment, and income growth, forming the backbone of this ambitious economic vision.

GDP Growth & Its Continuity

Industrial expansion contributes significantly to GDP growth by stimulating investment and demand. Policy continuity ensures stability and long-term planning. A strong industrial base enhances economic resilience and growth sustainability.

Growth Rate of the Last Five Years

Over the last five years, India’s industrial growth showed fluctuations due to global and domestic factors. Despite setbacks, recovery trends highlight structural strength. Manufacturing and infrastructure-led growth remain key drivers of economic momentum.

Employment Formation & Opportunities in Different Sectors

Industrial development generates employment across manufacturing, construction, logistics, MSMEs, and services. Skilling initiatives align workforce capabilities with industry needs. Emerging sectors such as renewable energy, electronics, and digital manufacturing offer new employment opportunities.

Conclusion

Industrial development after 2014 reflects a strategic transformation of the Indian economy. Policy reforms, manufacturing growth, and employment generation strengthened economic foundations, delivery, and supply chain management.. The industrial development narrative post-2014 is characterized by strong policy intent and strategic interventions designed to correct historical imbalances. Flagship initiatives like 'Make in India' and 'Aatmanirbhar Bharat' have succeeded in significantly improving the investment climate and attracting FDI. The introduction of the GST and the strategically deployed PLI schemes represent structural reforms that will define the long-term potential of the sector. While the goal of a 25% manufacturing share and mass employment generation has not been fully realized, the foundational blocks—enhanced infrastructure, stable tax laws, and performance-based incentives—are in place. The recovery from the pandemic has demonstrated the economy's resilience, suggesting a positive trajectory for future industrial expansion, provided global headwinds remain moderate and domestic consumption stays strong. Conclusion (≈ 300 words)The analysis underscores that India’s industrial landscape has made measurable progress since 2014, driven by policy reforms, strategic incentives, and a resilient services sector. Manufacturing’s share in GDP has risen modestly, and the “Make in India” initiative, reinforced by Atmanirbhar Bharat and PLI schemes, has begun to shift the production structure toward higher value-added goods. The COVID-19 pandemic inflicted a severe short-term shock, but swift fiscal and monetary responses facilitated a V-shaped recovery, laying the groundwork for renewed growth. Nevertheless, the ambition of a $5 trillion economy remains challenging. Achieving the required growth rates will necessitate overcoming structural bottlenecks—particularly in infrastructure, skill development, and labour market flexibility. Employment generation, while positive in absolute terms, has been insufficiently inclusive, with a large proportion of jobs remaining informal and low-skill. The paper highlights that industrial development is a necessary but not sufficient condition for sustainable, inclusive growth. A coordinated approach that integrates industrial policy with education, social protection, and environmental sustainability is essential to realise the vision of a self-reliant, prosperous India.

Recommendations

Continued policy support, skill development, infrastructure investment, and technological innovation are essential for sustained industrial growth. Based on the analysis, the following recommendations are crucial for sustained industrial development:

- **Deepen Labour Law Reforms**
  Further simplification and standardization of labour laws to encourage formal job creation and large-scale factory setups.
- **Focus on Skill Development (Skill India 2.0)**
  Align skilling initiatives more closely with the demand created by PLI sectors (e.g., advanced manufacturing, battery tech, semiconductor assembly).
- **Boost MSME Credit Access and Technology**
  Ensure the benefits of the PLI scheme and low-cost credit trickle down effectively to the MSME ecosystem for technology up-gradation and integration into global supply chains.
- **Expedite Infrastructure Development**
  Fast-track the implementation of major projects under the PM Gati Shakti National Master Plan to reduce logistics costs, which are a major barrier to competitiveness.
- **Accelerate Infrastructure Investment**
  Prioritise the completion of the National Infrastructure Pipeline, focusing on logistics parks, port upgrades, and high-speed rail to reduce transaction costs.
- **Expand Skill-Training Programs**

Align the Skill India initiative with PLI sectors, offering industry-led curricula and apprenticeship pathways to bridge the skill gap.

- **Promote Green Manufacturing**
  Introduce incentives for factories adopting clean technologies, thereby aligning industrial growth with climate commitments.
- **Enhance Labour Market Flexibility**
  Reform labour codes to encourage formal hiring while safeguarding worker rights, thereby improving employment elasticity.
- **Strengthen MSME Ecosystem**
  Provide easier credit access, simplified compliance, and digital upskilling to enable MSMEs to integrate into global supply chains.
- **Deepen Digital Infrastructure**
  Expand broadband connectivity in rural areas to support remote work and digital services, fostering a broader employment base.
- **Monitor and Evaluate PLI Schemes**
  Establish an independent oversight body to assess the cost-effectiveness and employment impact of PLI incentives, adjusting parameters as needed.

Evaluation

The period has seen a mixed but ultimately positive evaluation of the industrial strategy. Evaluation (≈ 250 words)The "Make in India" and Atmanirbhar Bharat policies have yielded mixed results. On the positive side, FDI inflows into manufacturing rose by 27 % between 2014 and 2023, and the PLI schemes have catalysed investment in high-tech sectors. However, the overall manufacturing share in GDP (17.3 %) remains below the 25 % target, indicating that policy implementation has not fully translated into structural transformation. Employment outcomes reveal a similar pattern. While total employment increased, the quality of jobs—measured by formality, wages, and skill level—has not improved proportionally. The informal sector continues to dominate, underscoring the need for complementary labour reforms. The fiscal stimulus during COVID-19 was effective in averting a deeper recession, yet it also raised public debt levels, constraining future fiscal flexibility. The recovery, though robust, has been uneven across sectors, with services leading the rebound and certain manufacturing sub-sectors lagging. Overall, the policies have set the direction for industrial growth but require more decisive execution, better targeting, and continuous monitoring to achieve the aspirational goals of a $5 trillion economy and inclusive employment.

- **Successes**
  Record FDI, significant improvement in Ease of Doing Business, effective use of PLI schemes to attract global players (e.g., Apple's ecosystem), and strategic independence in sectors like defence.
- **Shortcomings**
  Failure to significantly move the manufacturing share of GDP, slow growth in formal employment, and continued issues in land acquisition and bureaucratic hurdles at the state level despite central reforms.
- **Overall**
  The policy ecosystem is rated as 'Transformative' in intent and 'Progressive' in execution, setting the stage for an industrial resurgence, but requiring continued political will to overcome implementation challenges. The post-2014 industrial strategy shows progress but requires continuous adaptation to global changes and domestic challenges.

Concluding Statement

The industrial development trajectory in India after 2014 reflects a determined national effort to rebalance the economy towards manufacturing, anchored by a clear vision for a self-reliant and globally competitive future. India's industrial journey after 2014 demonstrates the critical role of manufacturing and industry in achieving inclusive and sustainable economic growth. In sum, India's industrial development since 2014 reflects a dynamic interplay of policy ambition and structural constraints. The "Make in India" initiative, bolstered by recent reforms and the Atmanirbhar Bharat vision, has laid a foundation for a more self-reliant manufacturing base. Yet, the journey toward a $5 trillion economy and decent, inclusive employment demands relentless focus on infrastructure, skill development, and labour reforms. By leveraging the lessons of the COVID-19 recovery and harnessing the potential of digital and green technologies, India can transform its industrial promise into tangible, sustainable prosperity for all its citizens.

Employment Formation & Opportunities in Different Sectors

Industrial development's ultimate success is measured by its ability to generate gainful employment.

- **The Challenge**
  Despite high GDP growth, job creation in the formal manufacturing sector has been slow ('Jobless Growth'). Most employment gains have been in the informal sector or the gig economy.
- **Policy Impact**
  The PLI schemes are specifically designed to be job-intensive, especially in electronics and textiles. Increased capital expenditure on infrastructure creates significant temporary and semi-permanent jobs in construction and allied industries (cement, steel).
- **Sectoral Opportunities**
  Electronics/IT Hardware: Direct result of PLI schemes, requiring assembly-line workers and high-skilled engineers.
- **Renewable Energy**
  Massive expansion in solar and wind capacity creating jobs in manufacturing components and installation/maintenance.
- **Logistics/E-commerce**
  Driven by GST and digital penetration, creating jobs in warehousing, last-mile delivery, and supply chain management

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