Industrialization in India > 1991 reforms > agri -> services > manufacturing tunskilled /servi-skilled mass labour => manufacturing Why? -> Advantages for us large domestic my 60% of GDP > labour pool > No country how reached high income by shifting faremers to services en masse sercvice businesses service economy manufacturing get their productivity develops over tech-embodied in product itself manufacturing from org. models, > easy to move human capital up in value f other itangibles chain > difficult to emulate for a poor country Manufacturing is shrinking while production is expanding - Challenges 1. of economic activity put into with manufacturing manufacturing 1 going find. sector is so productive now that it is (frontier risks) pretty cheap to make everything we (victim of own success) Pondia (2) capital-intensive 3D printing, automa cheap tabour nanufacturing advantage going 1 may revolutionize I near shoring by the day things. & Ion-shoring (-very for us) > Slowing advanced economies unlikely to absort much imporets + new wave of protectionism > world is unlikely to accommodate another chinalike export - Ted development diversification new norm > Other se Asian first-moverer against us + china era of globalization behind

One of the recent criticisms is how we are focusing more on assembly than actual manufacturing but that is how every country starts the process of industrialization before moving up the value chain to value-added manufacturing.

- Why Agri -> Industry -> services post 1991? > Kand availability/acquisition > low land/person
services doesn't need
as much land as factory -> xabour laws unchanged > cheap & uninterrupted power=> services can run on > Infra (settercrevad, rail & paret connectivity)

Kogistics cost diesel > simplified tax structure (services untaxed >9ST came in 2017 Regulatory + clearcances (forest, water, power, -burden + clearcances (forest, water, power, -L) disincentive against scale-up env. > Telecom revolution > services boost > Relatively good higher edu >> software boom sow labour productivity >> manufacturing X Pressure to cut costs and increase flexibility, together with strict labour laws affecting only formal

and thus pushing more and more people in the informal sectors.

A large informal economy exists because low wages allow it to compete with the formal sector but many times, informal economy also sustains profit in the formal economy as mentioned above.

The absence of employment opportunities in formal sector also explains a large informal economy.

enterprises, form clear incentives for formal enterprises to subcontract activities to the informal sector

_	Govt. efforts at industrialization
22) VI	Aim: share of manufacturing Aim: share of manufacturing on GDP from 15 - 25% by 2025 (unbrella scheme to address au factors) 100M manufacturing jobs (17% now) 12-14% annual growth of production addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism etc.
ET A	Also proposals inc. easier norms and rules proling poling
ver).	Sand Sanks & Nath single window systems (NSWS)
	map land offer land to put.
1	The second of the property of the second of
0	(GIS enabled) if project not started
10	National Land Bank Portal -> take back
	cut down on land acquisition
"\·	19 an arms and the garden of the levels
	Framework 7987 Pramework 1BC Reforms 1BC NPA clear = EODB (creative destruction) The credit of the creative destruction etc. MUDRA Credit orcedit guarantee Startup India, steindup India,
	Mandy Fadis
(f	startup moual, startur of incua,
	- Xabour laws: Consolidated into 4
	In fra North Logistics Policy 2022 things like things like Othese in infra, also capex as % of GDP
	-) Atmaniationary > Defence > HALTegas, corridors in up 2711
-	Bharat mobile phones etc.
)	Global tenders (foreign companies)
	Global tenders (foreign companies) Aisallowed for govt procurements up to \$200 Schamas
	* Schome &

Federalism dimension: There's only so much the centre can do since most of the subjects relating to industrialization are actually within the domain of the state under Sc 7. Land (state subject), Labour (concurrent subject), power (state subject => issue of free electricity and cross-subsidization) => we see so much regional variation in industrialization => states must get their act together.

Data to illustrate this: As per Annual Survey of Industries by MoSPI; 5 states (Maha, Guj., TN, Karna, UP) account for

abt 55% of India's manufacturing GVA as well as employment.

- Conclusion ideas for the topic

-> Pre-1991 Impost substitution ve Atmanishban sharat

- * restricted put. sector
- * Notionalization
- * License raj
- * Impost substitution
- * Contralized 1 top-down (eg. Planning Comm.)
- * Restrict foreign capital
- * Reserving products for small industries
 - * self sufficiency

- * facilitating pvt-sector
- * Disinvestment
- * EODB+EOE+ Entrepreneurship
 Promotion
- * Make In India, Make for the world"
- * Botom-up (eg. Niti aayog)
- * Invite them to invest
- * credit guarantee to MSME
- * capacity building

From "Command & Control" to "Plug & Play"

=> Vikshit Sharat by 2047 Whole ecosystem ready for investor/manufacturer to tap in

China+1, Ageing China losing \(\sqrt{\text{cheap labour}}\) cheap labour \(\sqrt{\text{advantage}}\) advantage => industrialization opportunity for India

On benefits of formalization:

The formal sector firms are much more productive when compared to their informal counterparts. The reason for lower productivity of informal units is lack of financial resources, technical expertise, professional management etc. which results in low wages in informal sectors. This hinders the overall progress of the labours as they are not able to upgrade their skills and are stuck in the same kind of task for their lifetime and remain destitute. If we really want that the condition of the poor improves and we could achieve inclusive growth then they must be brought into the formal employment.