

Perspective: Vocal for local

For Prelims: Vocal for Local, One District One Product, MSME, Make in India

For Mains: Role of Vocal for Local in Self-Reliance

What is the Context?

The Prime Minister of India recently urged everyone to be **vocal for local** and further **India's progress.** He acknowledged the **hard work of 140 crore Indians** in this direction.

Vocal for local is a mission of the country to be self-sufficient in goods production, self-reliance, and supply, and to engage in self-consumption of items produced. This is the ultimate step towards leveraging domestic manufacturing capabilities and understanding the impact of this clarion call on various sectors of the economy.

How does "Vocal For-Local" Enhance Local Industries, Products, and Exports?

- Strengthening Local Industries:
 - Increased Visibility and Consumer Awareness:
 - The Vocal for Local campaign **brings attention to locally produced goods**, enhancing their **visibility** both **domestically and internationally.**
 - **Consumer awareness** regarding the significance of **supporting local industries** rises, driving demand for indigenous products.
 - Government Support and Policy Measures:
 - Government initiatives to promote local industries, such as <u>financial</u> incentives and <u>simplified regulatory frameworks</u>, create a conducive environment for growth.
 - Favorable policies encourage the development and expansion of local businesses, making them more competitive in the global market.
- Boosting Product Innovation and Quality:
 - Investment in Research and Development:
 - The Vocal for Local movement encourages businesses to invest in research and development to enhance the quality and innovation of their products.
 - Innovation-driven products not only cater to domestic demand but **also appeal to international markets**, boosting export potential.
 - Sustainable and Eco-friendly Practices:
 - With a growing global focus on sustainability, locally produced goods **often align** with eco-friendly practices.
 - Emphasizing sustainable production methods **can position local industries** as responsible contributors to the **global market**, attracting environmentally conscious consumers.
- Creating a Stronger Export Ecosystem:
 - Networking Opportunities:

- The Vocal for Local initiative **fosters collaboration and networking** among local businesses, creating a **stronger collective presence** in the **global market**.
- **Joint ventures** and **partnerships** enable <u>small and medium-sized enterprises</u> (SMEs) to access new markets and distribution channels.

Building Brand Equity:

- A commitment to local production contributes to building strong brand equity for indigenous products.
- **Positive perceptions** of locally made goods can translate **into increased demand** from international consumers, thereby boosting exports.

What is the Impact of this Clarion Call on the Rural Economy?

Economic Empowerment:

- Boost to Rural Industries:
 - "Vocal for Local" has provided a **significant boost to rural industries**, ranging from **handicrafts and agriculture to small-scale manufacturing**.
- Income Generation:
 - The promotion of local products has led to increased income generation within rural communities. Small and medium-sized enterprises (SMEs) in rural areas have experienced a surge in sales, resulting in higher incomes for local producers.

Agricultural Resurgence:

- Revitalizing Agriculture:
 - "Vocal for Local" has played a pivotal role in revitalizing the agricultural sector in rural areas. By promoting locally grown and sourced agricultural products, the initiative has created new markets for farmers.
- Sustainable Agriculture Practices:
 - The emphasis on local products has encouraged the adoption of sustainable agricultural practices. With consumers becoming more conscious of the origin of their food, there is a growing preference for products cultivated using eco-friendly and traditional farming methods.
- Social and Cultural Reinforcement:
 - Community Bonding:
 - The "Vocal for Local" movement has **reinforced a sense of community** bonding in rural areas. As **consumers actively seek out and support local businesses**, there is a **growing connection between producers and consumers**.
 - Preservation of Cultural Heritage:
 - Local products often reflect the unique cultural heritage of a region. The "Vocal for Local" initiative has played a role in preserving and promoting traditional crafts, arts, and practices that are integral to rural cultures.

What is the Impact on the MSME Sector After The Vocal For Local Call?

Market Expansion:

 The call for promoting local businesses has opened up new avenues for Micro, Small and Medium Enterprises (MSMEs) to expand their market reach. With increased demand for local products, MSMEs have found opportunities to enter markets that were previously dominated by larger, multinational corporations.

Government Support and Policies:

 In response to the "Vocal for Local" initiative, the government has introduced various supportive policies and incentives for MSMEs. These include financial assistance, easier access to credit, and simplified regulatory processes.

Innovation and Technology Adoption:

 To align with the changing market dynamics, MSMEs have started focusing on innovation and adopting new technologies.

Job Creation and Economic Development:

- The growth of the MSME sector, propelled by the "Vocal for Local" campaign, has contributed significantly to job creation and economic development.
- Sustainability and Social Impact:

• The **emphasis on local businesses aligns with** <u>sustainability goals</u>, as locally produced goods often have a lower carbon footprint.

Challenges and Opportunities:

 While the "Vocal for Local" call has brought about numerous opportunities for the MSME sector, it has also presented challenges. Increased competition, the need for quality standards, and the requirement to scale up operations to meet rising demand are among the challenges faced by MSMEs.

What are the Various Initiatives Launched by the Government to Boost Indigenous Manufacturing?

Make in India Campaign:

 Make in India is a flagship initiative launched in 2014 with the aim of transforming India into a global manufacturing hub. The campaign focuses on promoting innovation, fostering a conducive business environment, and attracting foreign investment.

National Manufacturing Policy (NMP):

 The <u>National Manufacturing Policy</u>, introduced in 2011, outlines a comprehensive roadmap for the growth of the manufacturing sector. It aims to increase the share of manufacturing in the country's <u>Gross Domestic Product (GDP)</u>, create employment opportunities, and promote inclusive and sustainable development.

Atmanirbhar Bharat Abhiyan:

Launched in response to the challenges posed by the <u>COVID-19 pandemic</u>, the <u>Atmanirbhar Bharat Abhiyan</u> (Self-Reliant India Campaign) is a holistic initiative aimed at making India self-sufficient across various sectors.

Production-Linked Incentive (PLI) Schemes:

 To incentivize domestic manufacturing and attract investments, the government has introduced <u>PLI schemes</u> across sectors like electronics, pharmaceuticals, textiles, and more. These schemes offer financial incentives to companies based on their incremental production, thus encouraging them to expand and modernize their manufacturing facilities.

National Capital Goods Policy:

The <u>National Capital Goods Policy</u>, <u>launched in 2016</u>, aims to increase the <u>share of capital goods in total manufacturing activity</u>. By <u>promoting research and development</u>, <u>skill development</u>, and <u>technology acquisition</u>, the policy strives to enhance the competitiveness of the capital goods sector, which is crucial for the overall growth of manufacturing.

Skill Development Initiatives:

Recognizing the importance of a skilled workforce for the manufacturing sector, the
government has launched various skill development initiatives. Programs like Skill
India aim to train individuals in relevant technical skills, making them industryready and contributing to the growth of indigenous manufacturing.

Ease of Doing Business Reforms:

The government has implemented a series of reforms to improve the ease of doing business in India. Streamlining regulatory processes, reducing bureaucratic hurdles, and enhancing infrastructure are critical aspects of these reforms.

One District One Product:

- The 'One District One Product' program is a strategic initiative undertaken by governments to identify and promote a single unique product from each district.
- The **goal is to** harness local expertise, resources, and traditional skills to develop these products, thereby fostering economic growth at the grassroots level.
- Every state government is encouraged to identify one unique district product.

What is the Role of Technology in Promoting and Boosting Local Products in India?

E-Commerce Platforms as Catalysts:

One of the primary avenues through which technology has propelled local products is

the rise of e-commerce platforms. The digital marketplace has allowed local artisans and small businesses to reach a broader audience without the constraints of physical storefronts. Platforms like Flipkart, Amazon, and others have provided a virtual marketplace where local products can compete on a level playing field with larger, more established brands.

Digital Marketing Strategies:

- The advent of digital marketing tools has further amplified the reach and visibility of local products. <u>Social media platforms</u>, search engine optimization (SEO), and targeted online advertising enable local businesses to create a compelling online presence.
- Through these strategies, artisans and entrepreneurs can tell their unique stories, highlight the authenticity of their products, and engage with a digitally-savvy consumer base.

Supply Chain Innovation:

 Technology has played a pivotal role in transforming traditional supply chains, making them more efficient and transparent. From farm-to-fork tracking systems in the agricultural sector to <u>blockchain-enabled traceability</u> in the <u>handicraft industry</u>, <u>innovations in supply chain management</u> have instilled confidence in consumers regarding the origin and quality of local products.

E-Governance Initiatives:

Government-led initiatives leveraging technology have also contributed significantly to promoting local products. Digital platforms for registrations, certifications, and market access have reduced bureaucratic hurdles for small businesses. The 'Digital India' campaign, for instance, has facilitated the integration of local producers into the digital ecosystem, providing them with the tools and infrastructure needed to navigate the online marketplace effectively.

Collaboration and Networking:

Technology has enabled local businesses to collaborate and network more
efficiently. Online platforms and forums dedicated to specific industries or regions
serve as virtual marketplaces where producers can share insights, form partnerships, and
collectively address challenges.

Challenges and Considerations:

 Issues such as digital literacy, access to technology, and the <u>digital divide</u> must be tackled to ensure that the <u>benefits of technological advancements</u> are inclusive and reach even the most remote producers.

What is the Way Forward for the Vocal for Local Initiative?

Awareness and Promotion:

- Increased awareness campaigns through <u>digital and traditional media</u> can educate consumers about the importance of buying local, highlighting the value and uniqueness of indigenous products.
- Collaborations with influencers, social media campaigns, and showcasing success stories of local entrepreneurs can amplify the message.

Policy Support and Infrastructure:

- Government policies should focus on creating an enabling environment, offering financial incentives, tax breaks, and infrastructure development to support local industries.
- Strengthening logistics, improving access to markets, and providing skill development programs can bolster the production and distribution of local goods.

Technology Integration:

- Embracing digital platforms, e-commerce, and technological advancements can empower local businesses to reach a broader audience, both domestically and internationally.
- **Encouraging innovation and R&D investments** in local industries can enhance product quality, diversify offerings, and meet evolving consumer demands.

Collaboration and Partnerships:

 Foster collaborations between government bodies, private sectors, NGOs, and academia to create comprehensive strategies for the sustainable growth of local industries. • **Encourage** <u>public-private partnerships</u> to develop incubation centers, provide mentorship, and facilitate market linkages for small-scale producers.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

- Q. What is/are the recent policy initiative(s) of Government of India to promote the growth of manufacturing sector? (2012)
 - 1. Setting up of National Investment and Manufacturing Zones
 - 2. Providing the benefit of 'single window clearance'
 - 3. Establishing the Technology Acquisition and Development Fund

Select the correct answer using the codes given below:

- (a) 1 only
- **(b)** 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: D

Mains:

Q. "Success of 'Make in India' program depends on the success of 'Skill India' programme and radical labour reforms." Discuss with logical arguments. **(2015)**

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