

**Made in India:
Industrial Policy in a Changing World**

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Abstract

Industrial policy can play a role in India's elusive quest for jobs, particularly "good jobs", and technology upgrading as it seeks to traverse the first stage of industrialization driven by abundant cheap labor and high investment rates, and reach the second stage which requires higher productivity levels and a capacity to innovate. There are lessons to be learned from the past in the success stories of Asian industrialization—including some from India itself. Yet, the past may not be the perfect recipe for the future given a changing global landscape characterized by increasing industrial automation, rising concerns about market access, and the increasing interdependence between the manufacturing and services sectors. Going forward, the role of policy coordination in improving the effectiveness of industrial policy to spur India's industrialization will take centre-stage. New policy directions that leverage possibilities of technological leapfrogging—including through the services sector—as well as the synergies between manufacturing and services will be equally important.

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