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Role of Capacity Building in export performance in India

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Abstract: India is rapidly growing as one of the top economic powers in the world. In recent times, India is emerging as one of the hotspots for different products and services during Covid-19 pandemic. To improve and grab the opportunities in export sector, Indian government has taken necessary steps and policy initiatives to boost export sector. In this conceptual work, we have attempted to analyze different capacity building measure in relation to export sector performance in India. This paper will be helpful in understanding capacity building in export sector. Our study is important so as to analyze the role of this sector in job creation, revenue earning and engaging bilateral and multilateral relationships with different stakeholders in global economy. In general speaking, capacity development is one of the prominent field or subject in organizational development. This work has been explored to get maximum insights in export performance during last decade. We have proposed a conceptual model which can be tested further with descriptive methods. We have analysed the brief cases of capacity building in Indian states which can be taken as reference to assume that capacity building initiatives have been contributing in increasing, enlarging and improving the level of export performance in India. It will be helpful in academia reference, industry and policy work for export related stakeholders.

Keywords: Capacity Building, Conceptual Model, Export performance, Job Creation, global economy.

I. INTRODUCTION

Capacity building can be defined as a process of improving country's skills, capabilities and abilities in terms of human resource, technical achievements, organizational, institutional capacity and resource-based capabilities (Srinivas, n.d). In terms of export sector, we can assume it the set of activities which are helpful in promoting export and allied activities. For example, if, domestic entrepreneurs get training from expert organizations related to international taxation then such activities may be regarded under capacity building program.

Export performance can be defined as relative success or unsuccessful attempt to sell, promote, and serve the global clients with domestically grown, designed, produced or manufactured products and services. Different metrics like volume of sales, revenue earned, increased supply, expanding nature of export activities, selling in several territories or any other parameters can be taken for measuring the success or failure of any country or organization in connection to export performance.

Indian export sector is one of the prominent contributors in India's GDP. As per August, 2022, it was estimated that India's overall export will be approx 57 billion US dollar. It was increased around 6.75 % as compared to last year data (Latest Trade Figures, 2022). This sector is providing jobs, self-employment opportunities to many Indians. Even, it established bilateral and cross-cultural relationship with other nations so our research study is quite important to exploring many facets of Indian export sector and initiatives under run.

II. REVIEW OF LITERATURE

Capacity building is important in achieving sustainability with focus on creating skilled employees, attitudes, approaches, organizational structure and system (Ilaboya, 2008). In a study (Soma Arora, 2011), It was evident that capacity building can be seen on different level like organizational level, process level, technological level etc. Trade facilitation is not only a prominent factor for export performance (Iwanow, 2007).

In developing countries, world bank has focused to promote regional centred capacity development approach so as mitigate the challenges related to financial, institutional and human capital (Pleskovic et. al, 2002). There are various type of challenges related to capacity building initiatives across the industry in India. It includes the activities related to research and development, adoption of new technology, collaborating with international stakeholders and new product development. Development of Indian economy is associated to capacity building initiatives to great extent (Indian Chamber of Commerce, na).

In a study, It is found that Brazil's institutional capacity building strategy contrasts with counterparts of China and India in spite there is a focus on indigenous experiences, peer to peer exchange of ideas and information, practical approach etc. (Tom De Bruyn, 2019). There are large set of export performance measures but few were continuously utilized to get the related performance of export activities. These are export intensity / export to total sales ratio, sales growth in export sector, market share, profitability in export, satisfaction and perceived success in export activities (Sousa, 2004).

In a study, it is found that the soft and hard infrastructure impact on export performance of developing countries (perez and wilson, 2012). There exist many determinants to capture export performance. Some of them can be classified into three important categories of management related characteristics, firm's characteristics and marketing capabilities (Nazar & Saleem, 2009). In many areas of capacity building, there is no set of measure which captures performance (Wing, 2004). Capacity building is one of the factors which promotes internationalization of Indian firms (Arora & Sagar, 2016).

III. RESEARCH QUESTIONS

- 1) To identify the major capacity building initiatives prevalent in India.
- 2) To explore the underlying relationships between capacity building and export performance in India.

IV. CAPACITY BUILDING IN INDIAN CONTEXT

In Nagpur (popularly known as orange city of India), district administration organized a national level workshop which is intended to enhance the majors related to capacity development initiatives for different stakeholders like local farmers, expert organizations, officers working in export related roles and many other interested parties. The theme was district as export hub for Mandarin orange. It shows efforts and initiatives related to enhancing the performance of export of goods from India (TLN team, 2022). This is one of glimpses from state of Maharashtra that capacity development initiatives have been getting importance in India too. There is a need of empirical evidence collection which shows post programme export related performance improvement.

Similarly, a programme in Hosur, Karnataka was organized by Federation of Indian Exporters Organisation (FIEO) so as to enhance capacity building of local exporters in country like Russia, Common wealth nations and other foreign countries (The Hindu Bureau, 2022). It was observed that Chinese presence in global exports is coming down or getting low attention which

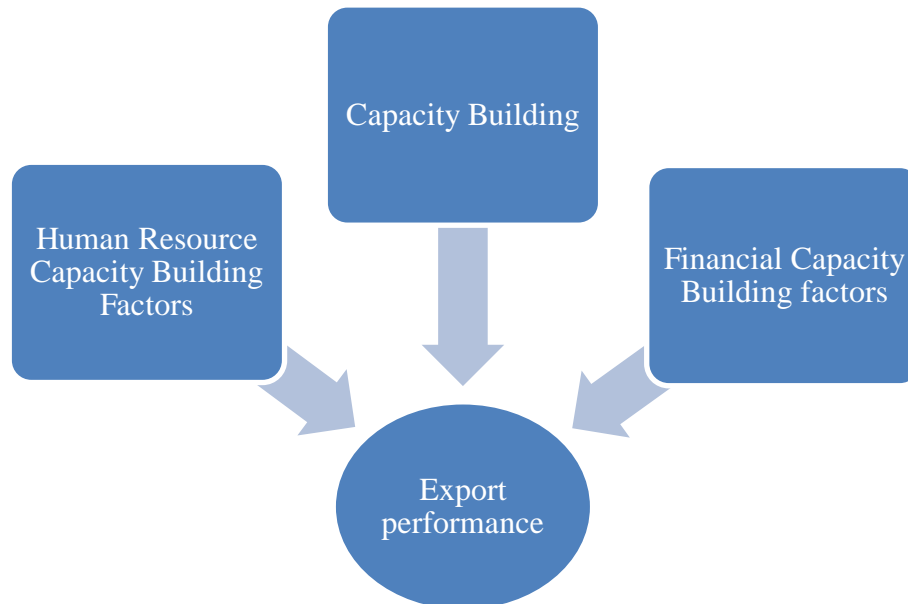
can be tapped by Indian exporters and organizations specifically the micro, small and medium enterprises (MSMEs). This shows the efforts, preparedness and mechanism of policy makers, industry experts etc. to contribute in boosting the performance of local players in international markets. Exporting is one of the prominent ways for Indian to getting access to global market place. It has ability to open new avenues of income and widen the scope of branding at global level.

V. KEY FINDINGS AND DISCUSSIONS

Indian export sector is growing by adopting innovative practices like market promotion schemes, capacity building initiatives, collaborating with foreign entities and expert organizations. India is focused to achieve comprehensive level of the performance in manufacturing and services sector. State-wise performance metrics can be devised based on geographical, local, social factors which have direct linkage with export sector performance. A standard set of models can be devised in primary, secondary and tertiary sector of Indian economy. This study shows about conceptual background of capacity building programs, policies, and schemes In India. Such practices are divergent state wise but focus on India's economic wellbeing.

Self-reliant India is possible when Indian think tank will be able to formulate such policies which are directly conducive to develop strong manpower which can deliver best performance in different export related activities. In brief, we can articulate that capacity development initiatives should be given priority so as to strengthen the export sector. Sector wise skill development activities must be identified which has direct impact on export performance. Capacity building related factors can be categorized under several dimensions based on size, nature, business goals, purpose, activities and export functions into a particular sector of economy.

A proposed model for further testing based on empirical data has been given below. It is basically emerged from our understanding of the concepts of export performance, capacity building, related literature, variables under different study, scope of study in the business and management domain.



VI. CONCLUSION

Indian export sector is performing well under the efforts led by various initiatives of central and state government and other participating actors. The need of hour is to devise a standard model for sector level capacity development and its direct linkages with performance metrics specific to those industries. In this conceptual study, we have found that there are various initiatives and activities are being performed by different actors but still there is an ample scope to work and find out relevant

parameters. Further, descriptive studies can be extended to know the extent of such development activities and its effect on performance related factors. Our key findings highlight the need of rigorous research and action oriented policy making so as to strengthen the India's export sector in line with global standards. Organizations and stakeholders working in export sector must work upon the factors influencing the performance metrics post Covid-19 interventions.

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