

**A STUDY ON COMPETITIVENESS FACTORS:
THE CASE OF DOMESTIC AND EXPORT
CHANNELS FOR FRUIT AND VEGETABLE
SECTOR IN INDIA**

by

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Dedicated

to

the memory of my late grandfather

P.M. Aliyar

CERTIFICATE

This is to certify that the thesis entitled **“A Study on Competitiveness Factors: The Case of Domestic and Export Channels for Fruit and Vegetable Sector in India”** being submitted by **Ms. Silpa Sagheer *nee* Aziz** to the Indian Institute of Technology, Delhi for the award of the degree of **Doctor of Philosophy** is a bonafide record of the research work carried out by her under our supervision and guidance. The thesis work, in our opinion, has reached the required standard, fulfilling the requirements of the said degree. The results contained in the thesis have not been submitted, in part or full, to any other University or Institute for the award of any degree or diploma.

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ABSTRACT

India's agrifood exports have remained below 2 percent despite its position among the top three primary producers of the world. With the arrival of global organized retail chains (that are setting up localized hubs for sourcing on a regional basis), an additional opportunity has been created for Indian producers and processors to supply to international market players. This however has created a scenario where the domestic market is gradually taking the characteristics of an export market. The organized retailers are more demanding on produce/product specifications, quality and safety requirements, etc. This situation reflects a turning point for the industry as it echoes Porter's (1990) argument for a demanding home base to ensure competitive performance in export markets.

Agrifood sector has been a largely neglected domain of research. This study attempted to make an assessment of competitiveness of Indian agrifood industry's export and domestic value chains taking fruit and vegetable sector as focus of the study. Synergising the strengths of competitiveness framework (Porter, 1990; Momaya, 2001) and value chain analysis (Kaplinsky and Morris, 2001), a conceptual framework comprising of eight components – seven competitiveness factors and one performance measure - was developed. This was a first-of –the-kind attempt in the industry (i) to make a theory backed systematic comparative assessment of competitiveness in both export and domestic value chains side-by-side and (ii) to place together actors and processes in the value chain network along with a performance measure, thus taking a holistic approach.

Comparison of the two channels brought out three factors -‘government’, ‘food regulatory system (FRS)’ and ‘food safety and quality system (FSQS)’, for which the domestic channel indicated lesser weightage compared to the export channel. Interpretive Structural Modeling revealed ‘government’ as the actor that has to drive the process factors –FRS and FSQS. Improving the competitiveness framework developed in the initial part of study, a new framework “Competitiveness Assessment and Innovative Action Framework” was developed. Case studies in export and domestic channels mounted on this framework identified the role of a ‘lead partner’ in the chain. This lead partner helps reduce the burden on ‘government’ which has scarce resources in a developing country like India. The innovative intervention and interaction of lead partner indicates a gradual alignment of perception and thinking of stakeholders in both channels towards the implementation and action on FRS and FSQS.

Key words: *Fruit and vegetable (F&V), agrifood, competitiveness, value chain analysis, government, food regulatory system, food safety and quality system, export channel, organized retail, domestic channel.*

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