



## ENTREPRENEURSHIP AND INCLUSION IN VALUE CHAINS FOR POVERTY REDUCTIONS

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### ABSTRACT

*Growth is essential for survival and a necessary precondition for development of a nation. Sector specific thrusts emphasised during the planned intervention in the economy for growth affects the distribution of development. Balanced growth and Big Push Theory model led by Ragnar Nurkse, Paul Rosenstein Rodan and Unbalanced Growth Theory by Hirschman laid approaches to secure and lead growth. Now with the integration of the world economy, the competitive mode of production for trade has become survival mantra / strategy for growth. There is no single theory for administered for growth. Consumption led growth is every time pushed further to reach the economy's production potential, ignoring the wastes or concerns for environment and resources for the future generations. Accommodative policy for raising growth and for its continuance has replaced the acceptance of fall of the economy size or business cycles. Money and credit availability (with policy support) are used as the most important/ influential resources to support growth and to counter any activities to derail growth. The Theory of Circular Causation by Myrdal talks about positive spread effects of different stages of development between regions (national and international), trade between industrialized and developing countries. Gunnar Myrdal also warned against the backwash effects in backward areas and traditional sectors due to modern sectors. So, economic factors need to incorporate social relations while analyzing factors causing change from initial conditions.*

*It is now more case of more balanced and clear stand of government to facilitate capitalism system to deliver social justices. And the policy makers can no more ignore the opportunity cost of growth, environmental and ecological sustenance of the present adopted approach to growth. The constraints in the employment scenario of the present Indian economy, looking at the employment elasticity and employment growth are discussed in this paper. The paper states the challenging activities and role of state and local bodies, institutions and corporate houses in the capitalist system for promoting entrepreneurship to be inbuilt part of the development model so that rural agricultural set up can be integrated into the prosperous markets .*

**KEYWORDS:** *necessary precondition , challenging activities , economy's production potential , future generations.*

### INTRODUCTION

Economic growth is a necessary precondition for the development of a country. Given growth, it is always the pattern of growth that affects the distribution of the benefits of development. A point that always comes for discussion relates to the model of growth. That is what type of growth model a developing country should go for. It can be Balanced Growth model professed by Nurkse or the Big Push Theory of growth advocated by Rosenstein-Rodan or Hirschman approach to growth. They are the two distinct approaches to growth which have different socio-economic implications. Growth was



prioritised both with the Classical and even with the Neo-Classical approach, distribution being an in-built mechanism favouring and tilting in favour of the capitalist class who do not indulge in consumption but opt for saving and accumulation. It was Schumpeter who would recognize the “animal spirit” and assigned a key role to the entrepreneurs in the development process. With the passage of time, as nations developed and started trading with each other, approach to growth changed further. It was trade, meaning international trade that was recognized as the “engine of growth”. Following trade and integration of the world economy, the competitive mode of production for trade could become the survival mantra / strategy for growth. With higher growth and better consumption, consumption led growth is now pushed further to reach the economy’s potential. Policy accommodation for growth and continuation of growth favouring higher consumption seems to have taken the centre stage in our pursuit of higher and sustained growth. Fiscal, monetary and ease access to the credit market are used as most important/ influential resources to support growth and counter any activities to derail growth.

Now the world is facing the big policy concerns. Continuance of low growth in majority of the advanced economies, slowdown of growth in the emerging ones, rising unemployment and inequality, high budget deficits and debt, requirement of outward market and protectionisms have made things more challenging than before. The policy makers need to address these issues and the longer-term challenges of climate change, demographic changes, as well as rising inequality.

**Table 01 : Employment Scenario of various Regions of the World**

Region	Unemployment Rates in 2008			Employment Growth		Vulnerable Employment Shares 2008
	Adults	Youth	Open	2000 to 2007	2007 -to- 2008	
World	4.4	12.2	5.9	1.8	1.4	49.4
Developed Economies and European Union	5.0	13.1	6.1	0.8	0.2	10.1
Central and South Eastern Europe	7.4	18.1	9.0	1.3	0.2	19.1
East Asia	3.3	9.2	4.3	1.2	0.5	53.4
South-East Asia and Asia Pacific	2.8	15.6	5.4	1.9	2.0	61.1
South Asia	3.5	10.1	5.0	2.3	2.3	77.1
Latin America and the Caribbean	5.3	14.8	7.2	2.6	1.8	31.2
Middle East	6.1	18.8	9.0	3.6	3.7	32.8
North Africa	6.3	24.1	10.0	3.3	3.2	36.8
Sub-Saharan Africa	6.2	11.3	7.6	2.9	2.9	72.9

Source: ILO, Global Employment Trends, May 2009, Chaudhary A P (2012)

The employment growth in the world is reduced to 1.4% in 2007-08. There is a fall in employment growth rate in 2007-08 in most of the advanced regions of the world. Open unemployment in the world remained at 5.9%. Developed economies and European Union experienced 6.1% unemployment rates. The most difficult picture emerges when we compare unemployment rates in adult and youth. Youth unemployment rates remained around 12.2 % for the world and even 13.1% for the Developed Economies and European Union. Many developing countries of Asia and Africa may have faced expansion of low paid service sector employment, high and sustained level of open unemployment. There may have or an increase in the average no. of household members working in low productivity agricultural activities. Considering that bulk of the world population and poor reside in Asia, Africa and Latin America the picture appears very

gloomy. Market led economies and the challenges of globalization have reduced the job creations for new entrants to the job market. Firms now organize production through regional and global value chains. The economic models in light of the complex interdependencies that govern the international trading system have failed to provide the much needed employment. In order to take advantages of external economies of scale and for the integrated nature of the production chain in global trade, the rising intra-industry trade to consolidate its monopoly position or even to secure competitive advantage, the growth of employment has suffered. The technological progress with product standardization is always labour saving giving productivity gains to both capital and labour and in the process make it for difficult some engaged labour to continue gainfully employ even when orders and production increases. This has been an ongoing process. The employment elasticity of most of the countries has fallen from 1960s onwards. With modernization it is more of a labour saving technology adopted by most of the economies. The share of vulnerable employment is around 49.4%. Here developed economies show a more resilient performance. This value talks about volatility of employment, bargaining power of workers and their wage and nature of employment status. It is interesting to note that the regions which have shown higher growth in employment also show higher share of vulnerable employment. In other words it is increasingly informal association and casual nature / casualisation of labour force.

**Table 02: Employment Elasticity of Growth of selected countries**

Country	Employment Elasticity		Country	Employment Elasticity	
	1960s/70s	1980s(+)		1960s/70s	1980s
Algeria	0.97	0.40	S Korea	0.73	0.4
Bangladesh	0.56	1.00	Kuwait	0.44	0.26
Cameroon	0.65	0.14	Japan	0.14	0.31
Canada	0.32	0.18	Malaysia	0.87	0.64
Egypt	0.69	0.31	Pakistan	0.34	0.35
France	0.10	-1.13	S Africa	0.76	0.13
Indonesia	0.58	0.63	India	0.66	0.18

Source: J Heintz (2006), Employment Strategy Department, I.L.O. Geneva and Paramanada and Kumar (2013)

India is the second largest populated country in the world, only next to China. Its population is expected to rise to 1.22 billion as against China's 1.36 billion and the world population of 7 billion by the end of 2012. By 2020, the median age in India will be 28. And by 2030, 59 per cent India's working population in the age group of 15 to 64 years will be working age adults as against 54.3 per cent in 2010. The demographic dividend expected from the higher active age group available for work, may instead turn into higher financial burden and social costs, given the mismatch in judging the gap for the market and preparation for the market. The table no 03, below shares the status of primary, secondary and tertiary sectors in terms of their share in the employment vis a vis their contributions to GDP. In 1972-73 the share of tertiary sector in the employment in India was 14.78%. By 2009-10 tertiary sector shares in employment has increased to 26.67 %, when their share of GDP is already more than 58%. Employment elasticity of the sector has reduced from 1.03 to 0.14. Nevertheless the sector has shown an increase of 23% in the share of GDP. This sector is growing much faster than the other two. In 1972-73 the share of secondary sector in the employment in India was 11.30%. By 2009-10 tertiary sector share in employment has increased to 22.02 %. The share in GDP has increased from 23.32 % to 25.92%. Employment elasticity of the sector has reduced from 0.97 to 0.39. The sector has shown an increase of around 11% in the share of GDP. This sector is showing bigger growth rate than the primary sector.

**Table03: Status of Primary Sector Importance in India**

NSS Rounds	Sectoral Share of Employment (%)			Sectoral Share in GDP (%)		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
1972-73	73.92	11.30	14.78	40.92	23.32	35.75
1977-78	70.98	12.55	16.47	40.41	23.67	35.92
1983	68.59	13.78	17.63	37.15	24.30	38.56
1987-88	64.87	17.04	18.09	31.72	25.23	43.05
1993-94	63.98	14.96	21.07	30.01	25.15	44.84
1999-2000	60.32	16.24	23.43	24.99	25.31	49.69
2004-05	56.30	18.78	24.92	20.20	26.24	53.56
2009-10	51.30	22.02	26.67	15.23	25.92	58.84

Source: Estimates based on various rounds of NSS data on Employment and Unemployment

**Table 04: Employment Elasticity with respect to GDP**

NSS Rounds	Employment Elasticity with respect to GDP			
	Primary	Secondary	Tertiary	Total
1972-73 to 77-78	0.40	0.97	1.03	0.57
1977-78 to 83	0.62	0.90	0.67	0.56
1983 to 87-88	-9.10	1.28	0.31	0.38
1987-88 to 93-94	0.46	0.03	0.79	0.42
1993-94 to 1999-2000	0.02	0.37	0.34	0.16
1999-2000 to 04-05	0.90	0.87	0.54	0.47
2004-05 to 2009-10	-0.53	0.39	0.14	0.02

Source: Estimates based on various rounds of NSS data on Employment and Unemployment

Primary sector still provides the bigger share of employment in India. Needless to say that agriculture has accommodated a bigger share of underemployed and disguised employment labour in India. The share of primary sector in GDP was 40.92% in 1972-73. In 1993-94, the share reduced to 30% and it further reduced to 15.23% of GDP in 2009-10. The share of employment provided by the primary sector during the 1972-73, 1993-94 and in 2009-10 are 73.92%, 63.98% and nearly 51% respectively. There is always a limit to the extent to which employment can be created by manufacturing and the services sectors in India. Looking at the employment elasticity, to accommodate more labour from agricultural sector to manufacturing and services we need bigger growth in demand to support required productivity growth and demand growth for products in absorption of labour from agricultural sector. It is also essential to understand that the constraints observed in these sectors put a limit to absorption. The onus of generating and supporting employment has to be found within the agricultural sector given the fact that the manufacturing and other sectors have not been able to generate adequate employment opportunities.

**Table 05: Population in Different Expenditure Classes (%)**

Expenditure class	1993-94	1999-00	2004-05
Extremely Poor	11.5	8.7	6.4
Poor	19.2	17.3	15.4
Marginally Poor	18.8	19.9	19.0
Vulnerable	32.4	34.8	36.0
Middle Income	15.5	16.7	19.3
High Income	2.7	2.6	4.0

Source: Various rounds of NSSO, Chaudhary A P (2012)

Extremely Poor- per capita per day consumption expenditure of three-fourths of the official poverty line

Poor – are those between extremely poor and upto official poverty line

Marginally Poor- are those with per capita expenditure of 1.25 times the poverty line

Vulnerable - is those with per capita expenditure of two times the poverty line

Middle Income- is those with per capita expenditure of 2 to 4 times the poverty line

High Income- is those with per capita expenditure of more than 4 times the poverty line

**Table 06: Consumption Discrepancy across Classes**

Year	Share in consumption Expenditure by population in Rural Area			Share in consumption Expenditure by population in Urban Area		
	Gini Coefficient	Bottom 30%	Top 30%	Gini Coefficient	Top 30%	Bottom 30%
1972-73	0.302	15.0	50.9	0.341	13.9	54.3
1977-78	0.337	14.3	53.9	0.345	13.5	54.9
1983	0.298	15.2	50.9	0.330	13.9	53.7
1987-88	0.291	15.8	50.4	0.352	13.4	55.3
1993-94	0.281	16.0	49.9	0.340	13.6	54.7
1999-00	0.260	16.7	48.3	0.343	13.4	54.7
2004-05	0.297	15.5	51.6	0.373	12.4	56.9

Source: [http://mospi.nic.in/Mospi\\_New/upload/nssso/seminar\\_61R.pdf](http://mospi.nic.in/Mospi_New/upload/nssso/seminar_61R.pdf), Banerjee (2005)

The share of bottom 30% population in expenditure classes registers a decline and the top 30% register an increase. The most point is that there visible inequality in consumption expenditure. Bottom 30% still gets 15 to 16% of total consumption. The top 30% gets around 57% of the consumption aggregate. The poor continue to remain poor while the rich are getting richer. The growth process continues in a very partisan manner favouring the rich and wealthy at the cost of the poor and the disadvantaged sections of the society. More than 40% of the population of the households takes per capita consumption of 1.25 times the poverty line or less. As far 70% remains vulnerable class as far as their consumption expenditure pattern is concerned. With the rise in the share of the vulnerable employment shares as shared in table-01, it will be increasingly difficult to provide gainful employment to drive them out of poverty.

Non-involvement and non-inclusion of the marginalised groups of people in the development of the economy leaves them poorer than before resulting in their weaker bargaining strength and feeble participation. Such non-participation can be attributed to a number of factors such as lack of assets, education and training and absence of opportunities. They remain marginalised and have no scope to participate and contribute to the economy. Poor and substantially reduced participation of the majority of the people in the development of the economy leads to their non-inclusion from the mainstream of development vis-à-vis the affluent capitalist and moneyed people resulting in dangerous and disproportionate asset ownership by a minority group. India's Human Development Report (HDR) states: "In

India, the distribution of assets is extremely unequal, with the top 5 per cent of the households possessing 38 per cent of the total assets and the bottom 60 per cent of the households owning a mere 13 per cent". The situation is as shocking in the rural areas where the economic conditions of the majority of the households have not experienced any major breakthrough in their economic conditions. India is not shining, it yet to shine.

### Need of Entrepreneurism Empowering Inclusion

Though Business houses like TATAs, BIRLAs and the Reliance Industries have been moving beyond the turnover of Rs.100000 crore and above, there has been no survey regarding resilience of our local business system. This assumes importance, given the challenges and the transitions the economy has been going through with globalisation and integration with the world economy. The strength of the local business system to actually or partially protect the local producers against economic shocks or crisis needs to be continuously assessed. Simultaneous co-existence of local business system against the onslaught of drivers of globalisation and alignment of the national interests with the global value chains for better earnings and consolidations need to get current headline research for providing needful support to the entrepreneurship.

Rapid growth of urban economies associated with 6 to 8% growth of GDP over the last decade and resulting change in food consumption preferences are need to be identified to be the drivers of production pattern in the agricultural sector. There is a marked shift towards high value crops (HVC) like horticulture, livestock, dairy, poultry specially fuelled by increases in incomes and the dietary changes occurring therein. Such diversification and changes can create opportunities in production of the high value and value added agricultural commodities. Such a demand driven change leads to (i) re-allocation of employment in agricultural sector and also has the potential to provide greater employment opportunities in this sector. Agricultural in particular needs to find support from agro process industry as well high cultivation of high value crops taking into consideration the change in the consumption habit of the people and to serve the prosperous market. There is a vast gap between entrepreneurship and employment policies. The most fundamental driver for developing any community is to value human capital using the tools of entrepreneurship at all levels of society. By making efforts to integrate different layers of the society in decision, planning, monitoring and execution we may be able to find sustainable solutions to overcoming the injustices of poverty and social exclusion of many segments and individuals in society. Change in the culture & nature in different policy areas, or even in our communities, can support entrepreneurship to be all inclusive. Both entrepreneurship and inclusive entrepreneurship for social inclusion can be a solution to create jobs that are being lost across the economy. Entrepreneurship education can build confidence, motivate progress, strengthen the entrepreneurial mindset, foster a desire to achieve and inspire action. Technical skills, financial literacy, skills to engage in entrepreneurship, self-employment and/or employment need to be included in the supporting package for the social inclusion policies groups of population especially their leaders who are at the risk of exclusion and poverty.

In the realm of development policy and practice, global value chains and development thereof are instrumental for achieving poverty alleviation, entrepreneurship and decent labour conditions (Helmsing, Vellema, 2010). Farmers and other producers are made aware of consumer requirements, consumers and processors are made aware of factors limiting production, as it focuses on the networks and arrangements that bridge entire chain of actors involved in the production of a particular commodity or service. Using this approach, and through continuous innovation and feedback between different stages along the value chain, the farmer's market power and profitability can be enhanced.

It is more inclusive and rewarding to be in a value chain marketing system; farmers are linked to the needs of consumers, working closely with suppliers and processors to produce the specific goods required by consumers. Rather than focusing profits on one or two links, players at all levels of the value chain can benefit. Well functioning value chains are said to be more efficient in bringing products to consumers and therefore all actors, including small-scale producers and poor consumers, should benefit from value chain development. Research and development, whilst including techniques targeted at increased production, is

also focused on consumer needs, and attempts to take account of all of the links, and dependencies in the value chain, e.g. processing, environmental and social costs or considerations, as well factors such as health impacts, education and learning.

**Table 7: The High Value Commodities with Expenditure Elasticity**

Category	Rural	Urban	India	Growth expected 1995-2020 with GDP growth of 7%
Milk	0.458	0.372	0.435	4.14
Fruits	0.442	0.360	0.410	4.05
Vegetables	0.385	0.253	0.344	3.59
Meat, Fish and Eggs	0.848	0.633	0.773	5.33

### Liberalization and High Value Crops

Trade liberalization has brought imported fruits and vegetables to Indian market. Demand for Washington apples, New Zealand kiwis, and China pears are booming. Consumption of imported fruits and vegetables has increased by 70 percent to \$1.6 billion during 2011-12 according to the Ministry of Commerce. Fruit imports have been growing at 25 percent for the last few years, and are expected to double to \$464 million this year ending March 31. According to the Mckinsey Global Institute, India's aggregate consumer spending will quadruple to \$1.4 trillion by 2025. Foreign fruits often command a premium of 50 percent over locally produced fruits. The popularity of imported fruits has also led to an increase in the price of local produce. For example, before the market opened, the most premium Indian apples were available at less than \$1 a kilo. Today they regularly sell at nearly \$3 a kilo. India is also the second-largest producer of fruits in the world. It is a hope to the Indian Agriculture scenario to get back to the rhythm of growth and remunerate the stakeholders. Bringing inclusiveness in the development model requires support of entrepreneurship along with the efforts the Government, NGO and Corporate Houses. Selection of crops, efforts of entrepreneurs through the mode of contract farming and individual practices is definitely going to shore up the rural economy.

**Harnessing Entrepreneurism** is very much essential for terms of inclusion for majority sections of the population for encouraging a poverty alleviating growth. It is in the small enterprise that the presence of the entrepreneur is the most visible in small enterprises. India is vast and big market, diverse, and less developed. So, small enterprises can contribute towards employment and income generation in the country. There is also market in specific needs of a large proportion of customers and local specific needs. Their greater visibility may also be attributable to the fact that inspite of all odds on the policy and market fronts, several thousand s of small enterprises thrive in a large number of production spheres. In fact, in this 1960 study of small entrepreneurs in the then State of Madras, James Bean observed that entrepreneurs could emerge from a wide range of social and economical backgrounds.

Alignment of tastes, bigger demand and standardization of products raise the presence of organized activities, but definitely exclude many local business activities and self-employed engaged people from further participation in their local market unless they change their approach. For this they require to be benefitted from bigger social capital investment by the government machinery and other institutions. The challenge to raise entrepreneurship, spread the spirit of entrepreneurship, sound ideas about required investment and support of the same for growth and risk diversification is an important task at sub-state level. Factoring out the changing nature of demand and demand modifications due to its sensitiveness to different factors require the support of local market research. State and the Union

### **Empowerment for Rural Entrepreneurism**

Entrepreneurship shows the way to conquer poverty. All our youth cannot be expected to do business and succeed. Yet they can be entrepreneurial in creating space and using the opportunities available for their development. They may remain idle for some time and not for all time to come. Poverty may dampen the spirit of entrepreneurship, but it cannot kill it. When there is therefore the spirit to do something and progress in life, obstacles will not be insurmountable. And it is this spirit that opens the way for development. Once there is economic development it then leads to the enlargement of the market. And that creates growing opportunities for the young entrepreneurs.

Empowerment of the people can be designed in many ways. More important than legal empowerment is the real empowerment of the people when facilities are created not only to educate and train the youth but also to tap their dynamic, creative and entrepreneurial spirits. In every young man, there is always a bit of adventurism and the will to conquer and achieve something even if they come from low income families. Training provides the necessary skills and motivation to undertake innovative activities which have income growth and employment potential. Government spends crores annually on general, technical, professional and vocational education. Training programs on entrepreneurial development have been launched in different states. Training facilities have also been created for the Indian youth to acquire expertise in different trades. Some state governments have been setting up of polytechniques in rural areas to train them in modern agriculture and allied activities.

### **Conditional Nature of Pro-Development Outcomes**

The government that should facilitate enabling environment in association with private enterprises, local institutions and NGOs so, those creative individuals can commercialize their innovative ideas. Friendly bankers, avoidance of procedural delays and bureaucratic support and involvement can definitely encourage local initiatives to start business, trade and marketing. All this is expected to create not only employment and income facilities for the rural and urban families which have been identified for state assistance but also opportunities for others to overcome poverty and social disadvantages. The medium term effects of all these initiatives may result in restructuring the development scenario where larger scope will be available for entrepreneurial talents. Given the favorable policy framework and the infrastructural support for finance and credit for the small scale manufactures, small business and trade, we may think of new interventions to empower these institutions and empower the people for their income creation and poverty elimination.

### **Preference for Public Investment**

We need a greater fund requirement for training purposes and for creation of social capital for growth. Farmers and rural people need to show preference over privately beneficial subsidies. Gulati and Narayanan (2003) have shown that the rise in agricultural subsidies since the early 1980s has far outstripped the decline in public investment in agriculture. Subsidies has been a lose-lose proposition for many users. Replacement of food, fertilizer and electricity subsidies by cash subsidies to the poor can release plentiful resources. With those public investments in infrastructure—in particular, roads, agricultural research and development (R&D), and education are definite to yield sizeable marginal benefits in terms of poverty alleviation and income generation in rural areas. This surely will be a boost for encouraging entrepreneurship in the rural areas. It is also important to bridge the gap in the local business climate to cater to the local market potential. Preference for public investment is a much better option than subsidies when local firms or groups think of serving the prosperous markets. This is also essential for entrepreneurs to introduce productivity enhancing technologies as supply chain constraints are reduced.

### **Institutional Complementariness for Partnership, Governance and Risk Minimization**

This is the most sensitive chord in the value chain system. This is most essential for the entrepreneurs to get into the comforts of the pro development outcomes. Entrepreneurial development skills need to include social skills, networking, creative problem solving, opportunity seeking, selling,



interviewing, presentations, group leadership; as well as community co-operation, dealing with bureaucracy, local cultural norms and how they affect business. As young people learn the values and skills of self-initiative and citizenship, they discover new opportunities for themselves and begin to assume leadership roles in their communities.

Governance initiatives are required and need to be enforced to diversify risk and importantly to assess risk continuously. Global integration is needed to be shared with regulations. Government regulations and local government and institutional regulations need to be placed. Or else the bigger corporate can bypass the local entrepreneurs to seek more profits by searching for most likely locations to exploit workers and nations. With this they can put intolerable pressure to abandon gains in social legislations wherever they operate. So, model needs support of social legislations, wherever entrepreneurship is promoted for poverty alleviating growth.

### Local Market Research for Informed Actions

The problems of marketing information are very visible in rural marketing. First of all local entrepreneurs need to develop appetite for this sort of information and need to develop the type of information that they require. With this they can cater best to the market opportunities, avoid seasonal gluts and produce with inadequate quality specification and control. Production based on the marketing potential for the best revenue looks for best possible return with remunerative prices with controlled production. This reduces the cost and wasteful exploitation of resources and more importantly exploitative elements. Vegetable and fruit markets have higher product perishability. So, this gives better return to the production and marketing system, for which the trust in the market and co-operative vertical trading relationship improves. Local entrepreneurs use of information on market requirements and distribution channels, new crops and crop varieties and use for monitoring market signals and planning of production and sales activities, definitely adds to the sustainability of efforts to integrate local business system with prosperous markets.

Information on market research done by international, national and state institutes; policy and regulation change done by foreign countries, India and states and change in business strategy done by corporate houses, bigger retail firms need to be communicated right across to the stakeholders. Promoting local research in that value chain provides right language of communications to local entrepreneurs. It helps both, i.e. top down approach and bottom up approach. So, the constraints faced making the market competitive and qualitatively different gets attentions of government and corporate bodies. This definitely facilitates governance system.

### Challenges of Productivity Enhanced Technologies

Promotion and sustenance of the spirit of entrepreneurship can be tasted if they are capable of facing quality based competition. It is necessary to bring in changes in labour law regime to get quality labour and to accommodate more flexible use of contract labour in seasonal business. The much needed skill premium needs to be rightly promoted, used and rewarded. With this intrapreneurism is also developed. Measures for initiating productivity enhancement requires not only support of rural adaptation of technology, crop certification by grading houses or clinics, labour and managerial skills, but also financial back up. Non banking financial intermediaries of corporate houses, scheduled commercial banks need to give agricultural practices to industry status. This makes intangibles such as skill, training, contract of farming, contract of engagement, contracts of payments or receivables as collateral against which loans can be sanctioned for initiating measures to develop agricultural practices. Involvement of rural people in business module will force a positive political will on our democracy.

### CONCLUSIONS

There are many success stories in India where the present day millionaires and billionaires may have had a humble beginning as small time entrepreneurs and sales people. Poverty and lack of funds could never

check their zeal to dream big and become big. An emerging economy like ours will have more and more opportunities for our entrepreneurial youth. Alignment of tastes, bigger demand and standardization of products raise the presence of organized activities, but definitely exclude many local business activities and self-employed engaged people from further participation in their local market unless they change their approach. For this they require to be benefitted from bigger social capital investment by the government machinery and other institutions. The challenge to raise entrepreneurship, spread the spirit of entrepreneurship, sound ideas about required investment and support of the same for growth and risk diversification is an important task at sub-state level. Factoring out the changing nature of demand and demand modifications due to its sensitiveness to different factors require the support of local market research. State and the Union Government spend crores annually on general, technical, professional and vocational education. Training programs on entrepreneurial development have been launched in different states. Training facilities have also been created for the Indian youth to acquire expertise in different trades. Some state governments have been thinking of setting up of polytechniques in rural areas to train them in modern agriculture and allied activities. Local initiatives to start business, trade and marketing are also encouraged, thereby encouraging entrepreneurship. All this is expected to create not only employment and income facilities for the rural and urban families which have been identified for state assistance but also opportunities for others to overcome poverty and social disadvantages. The medium term effects of all these initiatives may result in restructuring the development scenario where larger scope will be available for entrepreneurial talents. Given the favorable policy framework and the infrastructural support for finance and credit for the small scale manufactures, small business and trade, we may think of new interventions to empower these institutions and empower the people for their income creation and poverty elimination.

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