

ISBN: 978-81-949112-2-7

Cluster Diagnostic Studies in Odisha

Y V Pratap

Centurion University of Technology and Management, Odisha, India

Introduction

Evolution of Micro, Small and Medium Enterprises (MSMEs) in India happened post independence from Small Scale Industries (SSI) in 1960s and 70s. Over the years MSME sector has increased rapidly. Today MSMEs contribute formidable component of the country's outstanding economic growth. MSMEs are good at utilizing available domestic resources to deliver quality products and services. MSMEs have immense contribution on industrial progress, entrepreneurship, job creation and economic empowerment. In India, underprivileged groups own around 50 percent of the MSMEs. As MSMEs require low capital, and have high labour absorbing power, this sector has played a noteworthy role in bringing people out of poverty while at the same time achieving rural industrialization. The MSME sector is one of the major driving force for creating a complementarity between India's agrarian economy and its industrialization. Hence, MSMEs are awarded with regular incentives by governments. MSMEs are more scattered and heterogeneous. To assist and support MSMEs grow and develop, a cluster based approach is adopted. Several Ministries of the Government of India, Public and Private sector Banks and Financial Institutions promote and develop the concept of cluster because of their potential.