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CDP ACTS AS DRIVING FORCE TO THE MSME SECTOR A CASE STUDY OF FAN CLUSTER IN WEST BENGAL



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Abstract

MSME sector well-regarded as the backbone of the country is facing with huge problems in connection with fund, technology, demand and efficiency. CDP acts as safeguard mechanism to the MSME sector which is generating second largest employment. The purpose of the study is to evaluate the effects of CDP on capacity building of the MSMEs, using electric fan industry in Kolkata, West Bengal as case study. Based on this sample, the results obtained indicate that CDP has a clear effect on the capacity building of the MSMEs. MSMEs have been immensely benefitted in terms of productivity and competitiveness from various capacity building measures. The findings can prove useful to MSME department and its policy makers, new entrepreneurs, researchers, as well as government and academic institutions.

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are the growth accelerators and considered as the 'backbone of the Indian economy.' In spite of sizeable contribution to the economy, this sector is struggling for existence because of facing stiff competitions from large scale manufacturers as well as global corporations. In such circumstances, Cluster Development Programme (CDP) is an excellent platform and one of the finest schemes for the MSMEs in order to safeguard this sector properly. CDP acts as catalyst for channelizing the necessary resources in a social network towards enhancement

of building confidence and competitiveness of this sector. The key objectives of CDP are to increase productivity and capacity building of the MSMEs. It also strengthens enterprises to combat internal challenges and to defeat global threats of the today's competitive business climate. CDP has its two successive interventions namely soft and hard interventions. CDP protects MSMEs through soft interventions or to build up soft skills development and hard interventions or to build up the common facility Centre (CFC).

The purpose of this study is to examine the effects of CDP on capacity building of the MSMEs, using electric fans cluster in Kolkata, West Bengal as case study. In order to understand

CLUSTER DEVELOPMENT PROGRAMME IN THE MSME SECTOR: EVIDENCE FROM WEST BENGAL

Dr. Rintu Nath*

Abstract

MSME sector is well-regarded as the backbone of the country's manufacturing output is facing a stiff competition from large scale manufacturers as well as MNCs. In such circumstances, CDP is an important platform and one of the finest schemes for the MSMEs. The key objectives of this scheme are to enhance productivity and capacity building of the MSMEs. Also, strengthen enterprises to combat internal challenges and external threats of the today's competitive business climate. The purpose of this study is to evaluate the impact of CDP on select MSME clusters in West Bengal, using 8 selected clusters across the state of West Bengal as case study. In order to understand the study aim, the entire study has divided into four sections. It starts with introduction; overview of CDP in the MSME sector in West Bengal is discussed in next section, followed by examination of the impact of CDP on select MSME clusters in West Bengal and finally, concludes the study. The study is based on case study of the eight selected clusters in West Bengal which already have received soft interventions of CDP. A qualitative research approach of the data collection is adopted using a questionnaire comprising of 4 questions relating to soft interventions. Based on this sample comprises of 399 respondents, the results obtained that CDP has a positive effect on MSMEs. The findings can prove useful to the MSME department and its policy makers, new entrepreneurs, researchers, as well as government and academic institutions.

Keywords: MSME, interventions, clusters, academic

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