

## DOES CLUSTER APPROACH HELP IN INCLUSIVENESS? A STUDY ON THE PLASTIC INDUSTRY IN CHENNAI

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### **ABSTRACT**

*The closure of the MSME units in a large scale, not only affected growth of output and national income, but also and more importantly employment generation to the unskilled and semi skilled workers. This led to the reorganisation of the sector into MSME and the introduction of Cluster Development Approach with proactive Government support in terms of finance, policy and other aspects. The present study aims to examine the role of cluster in the plastic industry in promoting inclusive growth in the development of the MSMEs. This study suggested that a greater share of the units that are owned by the well placed Mainstream segment have not opted to invest in creating their own building infrastructure and thus have leased in the same, instead they have used that capital in investing in fixed capital and working capital. The Marginalised units are not able to produce as much as the Mainstream units, since the former are not able to invest in fixed and working capital. This will have considerable impact not only on the cost and revenue structure of the units that belong to the two groups, but also their profit.*

**KEYWORDS:** *MSMEs; Cluster; Government; Inclusive; Impact*