

Transforming Self-Help Groups into Small and Medium Enterprises (SMEs) – Odisha leads the way

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The article highlights the transformation of Self-Help Groups (SHGs) into Small and Medium Enterprises (SMEs) in India, with a focus on Odisha's efforts. The article presents data on women's participation in SMEs across states and emphasizes the benefits of this transformation, sharing success stories from various sectors. Government initiatives and programs are discussed, with a spotlight on Odisha's Mission Shakti. Authors advocate for imparting entrepreneurial skill among the women enabling them to run enterprises, federate at district level and strengthen the SHG ecosystem.

Keywords: Gender gap, Mission Shakti, Self-Help Groups, Small and Medium Enterprises, Women entrepreneurs

Women are important contributors in building of the nation. In India, though women constitute all most half of the total population of 1.2 billion, still they bear an unequal share of burden of poverty globally, due to social and structural inequalities. Government and developmental agencies are working at their level to promote Self Help Group (SHG), which is a grass root level initiative to address these inequalities. Through SHG, women can get an opportunity in this male dominated society to achieve their economic indecencies by taking the SHG to the next level by transforming it into Small and Medium Enterprises (SMEs).

Women entrepreneurs in India play a significant role in advancing the economic growth of the country. They collectively contribute 3.09% of industrial output and employ 10% of the total workers engaged in different economic activities in India. Still, India ranks third in entrepreneurship gender gap across the world – only 33% of the early-stage entrepreneurs in India are women. Women own only 20% of the enterprises in India.

About 82% of these women-led enterprises are micro units, run as sole proprietorships. Women owning small and medium enterprises in India widely point to the lack of access to capital as the biggest constraint in running their business. In India, Small and Medium enterprise comprises both manufacturing and service sectors. Small and medium enterprises are categorized based on investment and annual turnover. Enterprise with investment not more than ₹10 crore and annual turnover not more than ₹50 crore called as small enterprise whereas investment not more than ₹50 crore and annual turnover not more than ₹250 crore called as medium enterprise (Ministry of MSME, GoI).

Women entrepreneurship platform (WEP)

The WEP is a Government of India-backed initiative launched by the NITI Aayog in 2017 to promote a conducive ecosystem for women's entrepreneurship in India. WEP intended to do this by becoming a unified aggregator of relevant information and services. It would strengthen industry

linkages and increase awareness of existing programs among women entrepreneurs. It specifically provides access to programmes for incubation and acceleration, entrepreneurship skilling and mentorship, marketing assistance, funding and financial assistance, compliance and tax assistance, and community and networking. Since WEP's launch in 2017, more than 26,500 women have registered and benefitted from the platform.

Women in Small and Medium Enterprises

In India, about 7.9 million micro, small and medium based registered enterprises are there, which contribute about 33% of GDP (Global Domestic Product). Women led enterprises also provide a great impetus to our economy particularly percentage of women working in manufacturing and agriculture sector is higher as compared to men. In India, 20.37% women MSME owners are there which contribute 23.3% of work force. In 2021-22, about 8.59 lakhs women led MSME got registered in the Udyam portal which is 17% of total MSME registration. So, the data indicates

there is a motivation among women to start their own enterprise which will change the traditional mind set of male dominated society.

Why transform SHGs to SMEs?

SHGs are mainly formed to alleviate poverty and empower the people especially women. It mostly helps in accessing credit to the member through mutual help. But now 12 million SHGs are there in India, of which 88% are women based SHGs and they are working continuously for the empowerment of women. By transforming the SHGs into SMEs, we can move forward by developing entrepreneurship behavior among the group member and along with mutual help, SHG can help the members in getting profit from their investment. Some of the benefits of SMEs are:

- Serve as source of entrepreneurship skill
- Provide employment opportunity
- Easier availability of credit facility
- Increase the marketing skill
- Development of specialized skill on specific product or service
- Increase the closeness with the customer
- Several Government Initiatives are helping in transforming SHGs to SMEs

Mission Shakti – A unique initiative of Government of Odisha

This is an initiative of Government of Odisha that was started in 2001 to empower women through Self-help Groups (SHGs). Odisha now has 602,013 SHGs, a huge social capital formed towards ensuring an equitable society. For the first time in India, Odisha has created a Department of Mission Shakti under the Ministry of Women & Child Development in 2021 to give further boost to SHG movement. Now the Government aim to transform the SHGs to SMEs to achieve a new trend of creating women entrepreneurs. The State has launched numerous programmes to support female entrepreneurs. Through 'Pallishree Melas' and 'Sisir Saras', the Odisha Rural Development and Marketing

Society (ORMAS) has expanded the reach of promoting WSHGs' products. The *Mahila Vikas Samabay Nigam* (MVSN) offers funding to poor and needy women for training in traditional occupations so they can improve their abilities and market their goods. Through the creation of new WSHGs besides training and capacity building, livelihood and skill development of all WSHGs in the state, the *Mukhya Mantri Mahila Sashaktikarana Yojana* (MMMSY) strives for socio-economic empowerment of WSHGs under Mission Shakti.

Empowering rural women as entrepreneurs under Mission Shakti, the MMMSY aim to advance the socio-economic and political status of WSHGs. One of the main goals of MMMSY is to create new WSHGs at the village level and federate them into Cluster level Federations (CLFs) to provide funding for skill-based training and capacity building for better livelihoods, facilitate connections with financial institutions so that participants can access microcredit without collateral at 0% interest up to ₹ 5 lakh, and to shape them into future prospective entrepreneurs so that economically disadvantaged women at the village level can become independent. The State Government has made it a priority to promote women's empowerment as the key to the state's development.

As a result, it gave WSHGs in the state government contracts of ₹50,000 crore each fiscal year. Additionally, by implementing an interest subvention plan, loans will be granted to eligible Micro Small and Medium Enterprises (MSMEs) at a discounted rate. In order to sustain livelihood support under the Craft Village Scheme, 134 SHGs covering 2010 Artisans of the state have received skill up-gradation

qualitative training in addition to the free distribution of contemporary tools and equipments. The State Government has offered financial aid to these organizations to establish the credit and investment worthiness of SHGs and SHG Federations so as to establish bank links. In order to prioritize their urgent financial needs for starting new livelihood activities and to establish appropriate investment plans for the credit they accessed from institutional financing, WSHGs and its federations are continuously monitored and guided. The MSMEs of Odisha are crucial to the state's efforts to eradicate poverty and generate jobs. A total of 198,736 MSME units were developed with an investment of ₹109.75 crore during last five years. These units have activated production and created 6.28 lakh jobs in the State.

Table 1. Mission Shakti at a glance

Number of Women self-help groups till date	6,02,013
Number of Self-help group members	70,00,010
Digital empowerment assistance to self-help groups	₹ 180 crore
Interest subvention provided	₹ 280 crore
Revolving fund	₹ 169 crores

Source: Overview, Department of Mission Shakti, Govt. of Odisha.



Table 2. Recent government initiative for graduating WSHGs to small medium enterprise

Scheme	Year of launch	Achievements
Prime Minister's Employment Generation Programme (PMEGP)	2008	In the year 2021-22, KVIC has established 103,219 new units, These 103,219 units have been established at a total capital of nearly ₹ 12,000 crore out of which KVIC disbursed a margin money subsidy of ₹ 2,978 crore while the bank credit flow was nearly ₹ 9,000 crore. A whopping 825,752 new employment opportunities were created across the country, which is also the highest so far under PMEGP.
Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)	2011	Till 31 st January 2024, 9.98 crore women from rural households have been mobilized into 90.39 lakh Self Help Groups (SHGs) under <i>Deendayal Antyodaya Yojana</i> -National Rural Livelihood Mission (DAY-NRLM). Aim of DAY-NRLM is to cover at least one woman member from each rural poor household (10 crore) under the fold of Self Help Groups (SHGs).
Mahila Kisan Sashaktikaran Pariyojana (MKSP)	2011	38 lakh women farmers have been trained under <i>Mahila Kisan Sashaktikaran Pariyojana</i> (MKSP). The learning of the interventions under MKSP has been expanded to various parts of the country under the Annual Action Plans of States/UTs.
Pradhan Mantri Mudra Yojana	2015	More than 34.42 crore loans amounting ₹ 18.60 lakh crore have been sanctioned since launch of the scheme (as on 25.03.2022). Approximately 22% of the total loans have been sanctioned to new entrepreneurs.
Start-up Village Entrepreneurship Programme (SVEP)	2016	SVEP has extended business support services and capital infusion to 153 blocks of 23 states. As on August 2020, around 1 lakh enterprises are being supported out of which 75% are owned and managed by women.
Stand-up India	2016	More than ₹ 40,700 crore sanctioned to over 180,630 women & SC/ST entrepreneur's accounts under Stand-Up India Scheme in 7 years.
Public procurement policy	2019	MSME Department mandates that 25% of total procurement for every Central Ministry/State Department/ Public Sector Company must be from a MSME or Startup. A sub-target of 4% out of 25% target of annual procurement earmarked for procurement from MSEs owned by SC/ST entrepreneurs. Three per cent from within the 25% target shall be earmarked for procurement from Micro & Small Enterprises owned by women.

These initiatives coupled with support from Government as well as non-government organizations are providing conducive environment for SHG ecosystem to prosper.

State-wise distribution of proprietary MSMEs by gender of owners

Key points related to the distribution of Micro, Small, and Medium Enterprises (MSMEs) across Indian states and union territories based on the gender of their owners, as derived from the

73rd round of the National Sample Survey (NSS) are:

- There are a total 1,23,90,523 women owned proprietary MSMEs in the country.
- West Bengal has the highest women's ownership share at 23.42% followed by Tamil Nadu

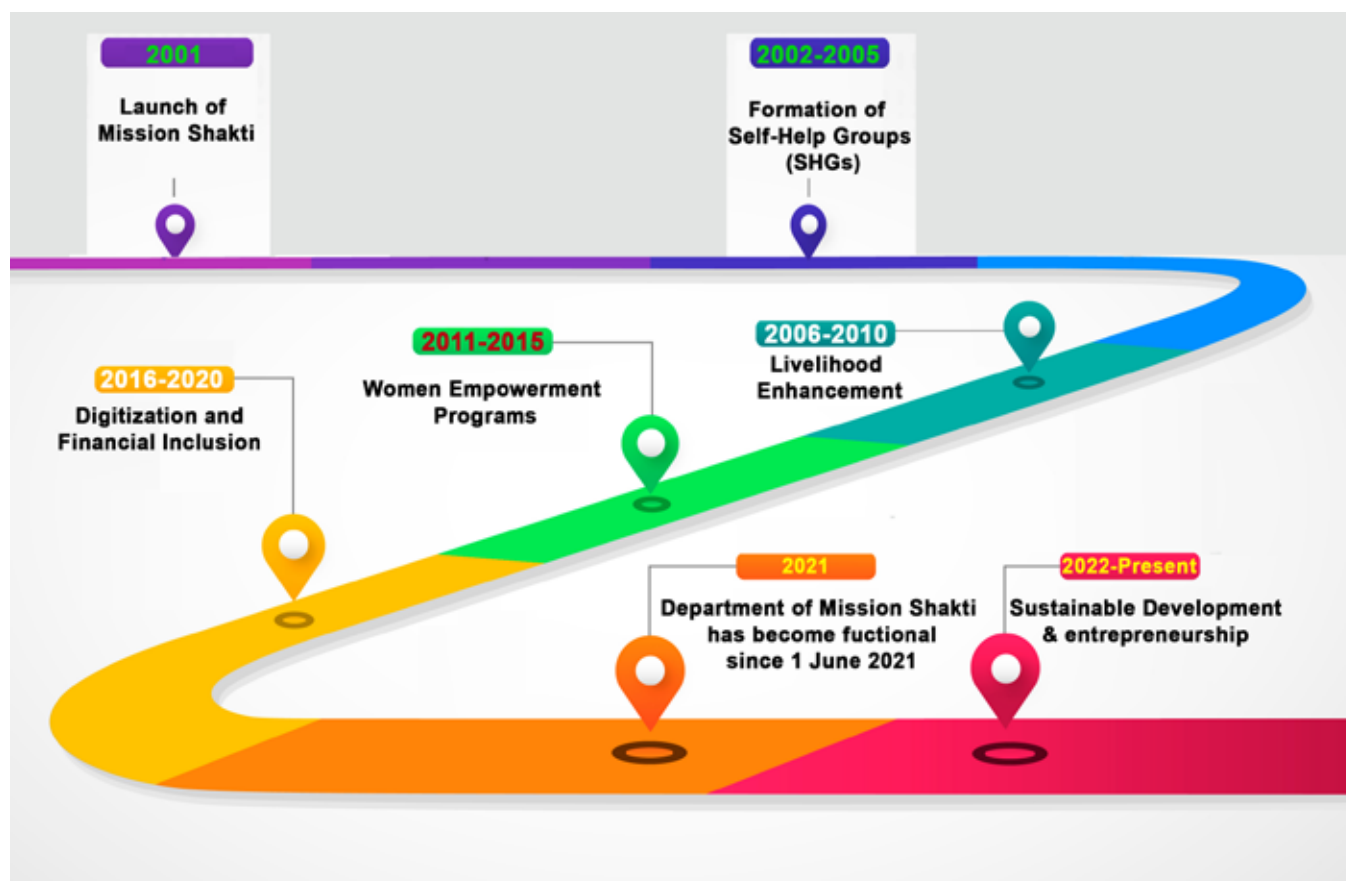
(10.37%), Telangana (7.85%), and Karnataka (7.56%).

- In Odisha, female-owned and male-owned MSME are 2.38% and 3.24% respectively.

It is imperative that number of both male-owned and female-owned MSMEs increase in Odisha,

Table 3. Success stories of WSHG who have graduated into SME in Odisha

District	WSHG	Activities
Champapur, Harabhang, Boudh	Maa Mahalaxmi	WSHG are engaged in weaving exquisite fabrics especially Bandha & Bomkei sarees using traditional methods with infrastructure and capacity building support from Mission Shakti. With various tribal motifs adding to the elegance of these fabrics, the members have managed to market more than 700 pieces per year, generating ₹10 to 15 lakh with profits ranging from ₹ 6 to 10 lakhs.
Cuttack	Maa Tarini	They started with an initial investment of ₹ 20,000 with production limited to just 1 quintal coir product/month. With the help of Mission Shakti, the group is generating an annual turnover of ₹34 lakh, selling around 50 quintals of coir products per month.
Danagadi Block, Jajpur	Satyasai SHG	The SHG has taken up fish cultivation in biofloc tanks. The members have prepared two biofloc tanks of 10,000-litre capacity each and stocked Tilapia fingerlings in each tank. With close to 4.5 quintals of harvest targeted every year, the group has already managed to generate ₹ 81,000 by the end of Jan'22. The members plan to soon diversify and add prawns into the mix.
Gop, Puri	Omm Gayatri PG Jute Cluster	This group has been making jute bags as an alternative to plastic. This group has a factory installed with high-speed machines with motors, cutting machines and screen-printing machines to make jute bags of different sizes, designs and dimensions. With an annual turnover of ₹ 50 lakhs, this SHG has been leading the manufacturing of jute bags in Odisha while making a noteworthy contribution to environmental protection.
Mission Shakti cafe	Saktimayee Ward Mission Shakti Mahasangha	The members of 'Saktimayee Ward Mission Shakti Mahasangha', Khordha are bringing about a change in the urban livelihood ecosystem by creating a niche for themselves in millet-based activity. The Mahasangha has about 180 members from 18 Women Self Help Groups who are diligently engaged in managing a 'Millet Cafe' in Krushi Bhawan, Bhubaneswar and provide Mid-Day Meal for 8 schools. They also run a millet processing unit. Their millet products are also procured by Reliance fresh. Additionally, the members have also started a Millet Plaza in IRC Village, Bhubaneswar to market their processed products. From all the livelihood activities, the Mahasangha generates an annual turnover of nearly ₹ 1200,000 with a profit of approximately ₹ 200,000.
Nuapada	Maa Samaleswari Producers Group	122 members from 12 SHGs are cultivating vegetables and field crops besides livestock rearing. The PG also cultivates many cash crops such as groundnuts, cowpea and tomatoes on 31.8 acres of land. Through collective marketing so far the group has sold 70 quintals of cowpea at ₹ 3,000 per quintal, 90 quintals of tomatoes at ₹ 2,000 per quintal and 50 quintals of groundnuts at ₹ 5,100 per quintal to the local market. During FY 2021-22, the PG has generated revenue of ₹ 51.71 lakh with a profit of ₹ 35.35 lakh.



Journey of Mission Shakti, Odisha (2001-Present)
Source: Department of Mission Shakti, Govt. of Odisha.

Women engaged in different fishery activities



Women entrepreneurs releasing fish seed in community pond.



Women entrepreneurs preparing fishing nets



Women entrepreneurs harvesting fish collectively



Women SHG members showcasing their harvested fish

mostly belong to poor and weaker section of the society, work for mutual help to meet the credit need, they are transforming the SHGs into SMEs creating entrepreneurship ability in the women member to run a business organization and generate income to improve the standard of living. Regular training programmes have been conducted for the SHG members on SHG management, financial literacy, livelihoods related technologies etc. Mission Shakti has brought in significant improvement in marginalized women in Odisha. Renewed focus of the department of creating entrepreneurship and transforming SHGs to SMEs will further give impetus to this endeavor. Government policies like mandated procurement from SMEs, Start-up Village Entrepreneurship Programme (SVEP), and *Pradhan Mantri Mudra Yojana* etc. will enable more and more SHGs to graduate as SMEs.

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thereby bringing in socio-economic prosperity to its people.

SUMMARY

Entrepreneurship acts as a wheel

for the economic growth of a country. Small and medium enterprises are units where with less investment we can generate profitable income at the rural areas. Since Self-help groups