

Rural Livelihood and Entrepreneurship: Addressing Skill Deficiencies for MSME Growth in Mayurbhanj District of Odisha

Miss. Arsu Hembram, Ph.D. Research Scholar, Department of Commerce, KISS DU,
arsuhembram023@gmail.com,

Dr. Ch Sudipta Kishore Nanda, Assistant Professor - II, KISS DU, sudipta.nanda@kiss.ac.in,

Dr. Annada Sankar Dash, Assistant Professor, KISS DU, annada.dash@kiss.ac.in,

Abstract: Micro, Small and Medium Enterprises (MSMEs) are influential in the creation of jobs and the eminence of inclusive economic growth in developing economies in the development of rural livelihoods. Mayurbhanj district, or the Odisha region, is largely tribal and rural, with a high likelihood of MSMEs impacting the local economies through schemes of entrepreneurship and self-employment. Nevertheless, the industry remains vulnerable to various limitations that include of unavailability of skills, which seems to be one of the most significant development and survival issues. The paper gives the interrelationship between rural livelihood and entrepreneurship and the performance of the MSMEs with particular reference to the skill gap in Mayurbhanj district. The article brushes over the ineffectiveness of productivity, innovativeness and competitiveness of local businesses, which is not contributed to by the lack of technical, managerial and entrepreneurial skills. It also examines the socio-economic impact of such gaps, specifically like under-exploited livelihood and the decline of entrepreneurial activity in the district. This paper is grounded on secondary data, governmental reports, and literature review, states that it is necessary to work on the skill development programs, which should be developed according to the local context. It suggests that the gaps in these sections could be bridged through assisted training and capacity building and institutional provision in a bid to promote the effectiveness of entrepreneurship and empower the rural people, self-reliance and accelerated development of MSME in Mayurbhanj. Its findings are also channelled to policy debates concerning how skills training can be used to stimulate the ecosystem of MSMEs in collaboration with entrepreneurship promotion to come up with sustainable means of enhancing livelihoods in rural regions.

Keywords: *Rural Livelihood, Entrepreneurship, Skill Deficiency, MSME Growth.*

1. Introduction:

The Micro, Small and Medium enterprises (MSMEs) have come to be identified the world over as drivers of economic growth, job creation and rural development. The MSME sector contributes significantly to the GDP, exports and industrial production in India. The rural and tribal population of Odisha and the Mayurbhanj District in particular can be exploited by MSMEs to promote inclusive growth and self-employment. However, despite that possibility, the technical and managerial skills shortage is a major issue in the development of the MSME system in Mayurbhanj District and has an impact on the rural livelihood and entrepreneurship. The purpose of the given paper is to comprehend the degree of the expertise deficit in the MSME system in Mayurbhanj District and how it influences the rural livelihood and entrepreneurship. It also dictates the policy interventions and training systems that can enhance the capacity to grow entrepreneurship and streamline the socio-economic outcomes.

2. Review of Literature:

Naveen S et al., (2023)[1]. The studies have been carried out on “Tribal women empowerment through entrepreneurship: evidence from Mayurbhanj District, Odisha”, which explores how tribal women can utilise their entrepreneurial skills in practice with access to training, credit, and mentorship. They conclude that, although micro-finances and government initiatives have helped increase start-up rates, survival is hindered by a lack of business planning skills, poor supply chain connections, and low digital literacy. Authenticity of indigenous knowledge and the incorporation of local languages in the training can contribute to increased acceptance of these programs among tribal women in the district of Mayurbhanj.

L. Mohapatra and G. Saha (2021)[2]. A Study on “Sustainable Livelihood Frameworks and Entrepreneurial Opportunities with Specific Reference to the Sabai Grass Handicraft, Odisha, India” The paper reviews literature on artisanal entrepreneurship, highlighting its importance in creating employment and entrepreneurial opportunities, especially in countries like India, where it significantly supports the rural economy after farming. Literature Survey of Sustainable Livelihood Frameworks and Entrepreneurial Opportunities in Artisanal Entrepreneurship.

C. Kumar and C. Nayak (2021) explore “Women Empowerment through Self-Help Groups in Odisha: A Micro Evidence from Mayurbhanj.” The paper aims to analyse a sample of 132 SHG members’ households from the Karanjia Block. They establish that SHG membership severely enhances household income, savings, household expenditure of members, and social empowerment (decision-making, self-confidence) even more. It is observed in the study, though, that the quality of skill training and market connections tends to be poor, which restricts the opportunities of entrepreneurship development in conjunction with empowerment.

L.Mohapatra & Saha (2020)[4]. The authors from the “Sustainable Rural Livelihood Development of Tribal Women of Odisha through Design Intervention using Sabai Grass focus on design skills interventions among Sabai grass artisan women in Mayurbhanj. they suggest that introducing design modernisation, e.g., improved aesthetics, colour, and finishing, along with training in packaging and market exposure, can raise incomes and reduce migration pressures. However, success depends heavily on reliable access to raw materials and stable demand from buyers.

Goel (2019) [5]“A Study on Women Entrepreneurship Development Through Government and SHGs Intervention in Odisha”, provides descriptive information on how encouragement of SHGs and government programs, such as Mission Shakti and other initiatives, have increased the number of women-led businesses in rural areas. The author found that while women's earnings have increased as a consequence of training in traditional crafts, food preparation, and tailoring, participation in entrepreneurship has been reduced by gendered constraints, including childcare, time, and mobility. To help women balance work and home responsibilities, the study suggests mobile training units, flexible training schedules, and supportive services.

B.C.M. Patnaik, Satpathy, and Rachayeeta (2016) [6] argued that the MSME players have the advantage to change the country. Considering this case, like most developing countries, India is also taking steps to modernise the sector for its prospects. But before introducing the beneficial programmes of any socio-economic conditions of a country and its people. It is more relevant from a country’s point of view when the said sector can create a sectoral imbalance that may destabilise the overall growth and prosperity of a particular sector. It is very important to understand the bottlenecks that the sector is facing. From the era of planning period till date, the focus has been shifted to a more knowledge-based economy with expertise in specific sectors. Given these circumstances, the bottlenecks need to be removed so as to get a more meaningful result related to the MSME sectors. Thus, it is of utmost importance to identify the issues that the sector is facing and address them as per the needs of the sector to get an overall upliftment.

B.C.M. Patnaik et al. (2015) “Skill Development in MSME – An Observation”. The authors are conducive business environment that is complex, as it depends on a country’s socio-economic, political, legal, and technological conditions. While India’s industrial policies historically prioritised heavy industries under the “trickle-down” theory, the benefits rarely reached lower economic levels, resulting in uneven income distribution and regional disparities. Recently, the MSME sector has gained focus through various government initiatives to ensure inclusive growth. However, despite these efforts, several challenges persist that hinder the sector’s smooth functioning. Policymakers must adopt long-term, people-centric strategies aligned with regional growth prospects to ensure that the true potential of MSMEs is realised and that sustainable and equitable economic development is achieved across all segments.

Patnaik, Satpathy, & Rachayeeta. (2015) [8] “Micro, Small and Medium Enterprises (MSME)- An Indian Perspective” Scholars argue that the participation of private players is equally crucial in bridging this gap; however, their involvement has largely been limited to training and skill development initiatives rather than direct industrial engagement. Government interventions, on the other hand, are often focused on generating employment opportunities rather than promoting sustainable entrepreneurial ecosystems. Although such programmes have contributed to job creation, they cannot be viewed merely as employment-generation tools but as instruments for long-term industrial empowerment and self-reliance.

3. Objectives of the Study

1. To examine the role of MSMEs in Rural Livelihood and Entrepreneurship Development in Mayurbhanj District.
2. To identify the nature and extent of Skill Deficiencies Affecting MSME growth in the Mayurbhanj district.
3. To Assess the Socio-Economic Implications of these Deficiencies on Rural Communities.
4. To Suggest Strategies for Bridging Skill Gaps through Training, Institutional Support, and Policy Frameworks.

5. Hypotheses

- **H₁:** MSMEs play a significant role in enhancing rural livelihood and entrepreneurship development in Mayurbhanj District.
- **H₂:** Skill deficiencies wounded the growth and performance of MSMEs in the Mayurbhanj District.
- **H₃:** Skill shortages adversely affect the socio-economic status of rural communities in Mayurbhanj District.
- **H₄:** Targeted training, institutional collaboration, and supportive policy frameworks can effectively bridge existing skill gaps and promote sustainable MSME growth.

6. Research Methodology:

- **Research Design:** Exploratory and descriptive.
- **Data Sources:**
 1. Secondary Data: District and state Industries Centre (DIC) reports, MSME ministry publications, academic journals, government statistics, NABARD and SIDBI reports.
- **Sampling:** Stratified sampling covering different sectors (MSME, handicrafts, Agro-based industries, small manufacturing, and services).

7. Research Questions

- How do MSMEs contribute to rural livelihood and entrepreneurship development in Mayurbhanj District?
- What are the key types and levels of skill deficiencies hindering the growth of MSMEs in the Mayurbhanj District?
- In what ways do these skill shortages affect the socio-economic conditions of rural and tribal communities in Mayurbhanj District?
- What training programs, institutional supports, and policy measures can effectively address the existing skill gaps in the MSMEs in the Mayurbhanj District?

7. Discussion and Findings:

The study on “Rural Livelihood and Entrepreneurship: Addressing Skill Deficiencies for MSME Growth in Mayurbhanj District of Odisha” reveals that while MSMEs have emerged as a critical driver of rural employment and income generation, their growth is significantly constrained by persistent skill gaps among entrepreneurs and workers. Findings indicate that most rural entrepreneurs possess traditional knowledge but lack modern technical expertise, financial literacy, and marketing skills required for business sustainability. The discussion further highlights that inadequate access to training programs, limited exposure to digital tools, and weak institutional support systems exacerbate these challenges, restricting competitiveness in both local and wider markets. Women and tribal entrepreneurs, though enthusiastic, face additional barriers of socio-cultural constraints and low education levels. However, government interventions through schemes like MUDRA, PMEGP, and ORMAS have shown partial success in bridging these gaps, though their outreach and effectiveness remain inconsistent. Addressing these deficiencies through localised skill development, entrepreneurship education, and stronger market linkages could transform Mayurbhanj’s rural economy by ensuring sustainable MSME growth

Tables 7.1 Industry-wise Distribution of MSMEs in Mayurbhanj District

Sl. No.	TYPE OF INDUSTRY	NUMBER OF UNITS	INVESTMENT (Lakh Rs.)	EMPLOYMENT (No.)
1	Food & Allied	1924	5231.37	6079
2	Chemical & Allied	132	377.32	846
3	Electrical & Electronics	34	86.48	135
4	Engineering & Metal-based	509	3587.46	3079

Source: Directorate of Industries, Odisha

In Mayurbhanj, the Food and Allied Industry sector is the most prevalent, and it contains 1,924 units, an investment of 5,231.37 lakh, and the people employs are 6,079. This is the dominance of the district because of the high agricultural foundation of the district, since most of the businesses undertaken are food processing, agro-products and other related businesses which make direct use of the local resources and farm products.

The Chemical and Allied Industry is composed of 132 units, with an investment amounting to 377.32 lakh, and it also employs 846 employees. This is a comparatively labour-intensive industry, in comparison with the food industry, and it incorporates the production of detergents, paints, herbal products, and small-scale chemical products. It has the possibility of improvement by enhanced technological assistance and training.

The Electrical and Electronics Industry is underdeveloped in the district, as it has just 34 units, investing 86.48 lakh and has 135 employees. The reason is that low infrastructure and the absence of modern technology and skilled manpower limit the potential growth of the sector, but this gives an opportunity to diversify the industry in future.

Another significant source of the MSME profile of Mayurbhanj is the Engineering and Metal-based Industry. It has 509 units, an investment of 3,587.46 lakh, and 3,079 employees, which indicate good industrial potential. This is an industry comprising fabrication, machinery parts and metal goods production, which are usually associated with the local mining and infrastructure development, making it a vital sector in the industrial development of the district.

Table 7.2: Cluster-wise MSME Details in Mayurbhanj District

MAYURBHANJ							
SL. No	Name of the Cluster (Product)	Location	District	No. of MSMEs In the Cluster	Any intervention undertaken in the Cluster	Cluster is suitable for which Scheme	Nodal Person of DIC/Association/ NGO etc
1	Baripada Fly Ash Bricks	Baripada	Mayurbhanj	65	No	MSE-CDP	GM, DIC
2	Betanati Cane and Bamboo carving	Betanati,	Mayurbhanj	200	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC
3	Baripada Sabai Crafts	Baripada	Mayurbhanj	250	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC
4	Baripada Sal leaf	Baripada	Mayurbhanj	500	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC

5	Dhokra craft at Khunta	Kuniola, Khunta	Mayurbhanj	50	No	Handicrafts Dept., Govt. of Odisha	GM, DIC
6	Khiching Stone carving	Khiching	Mayurbhanj	300	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC
7	Mayurbhanj Rice Mills	Baripada	Mayurbhanj	20	No	ZED Schemes	GM, DIC
8	Bamboo Craft	Rairanpur	Mayurbhanj	50	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC
9	Pottery Works	Chitroda	Mayurbhanj	40	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC
10	Bamboo Crafts, Saroskona	Saroskana	Mayurbhanj	50	No	Cluster Awareness Programme under ESDP Schemes	GM, DIC

Sources of: Ministry of MSME.gov.in

The above table No: shows the the distribution of clusters of Micro, Small and Medium Enterprises (MSMEs) in the various regions within the Mayurbhanj district. The clusters are each groups of enterprises that have been practising similar production activities, and are the local resource base and traditional skills of the locality.

The largest of these is the Baripada Sal Leaf cluster which has approximately 500 MSMEs, and it expresses the high dependence of the district on products based on forests and eco-friendly products. On the same note, groups such as Baripada Sabai Crafts (250 units), Khiching Stone Carving (300 units) and Betanati Cane and Bamboo Carving (200 units) are evidence of the quality traditional crafts and job potential in the rural and tribal regions.

The Dhokra Craft and Pottery Works clusters in Dhokra Craft at Khunta and Chitroda, respectively, are other clusters that maintain the cultural heritage of the district, and also enhance rural entrepreneurship. Although such vibrant sectors are present, the table shows that there are no significant interventions done yet under particular cluster development programmes. The majority of clusters only fall under the Cluster Awareness Programmes of the Entrepreneurship Skill Development Programme (ESDP)

Moreover, there is an industrial cluster like Baripada Fly Ash Bricks and Mayurbhanj Rice Mills that demonstrate some opportunities in construction and agro-processing, respectively and the possibility of the modernisation process with the help of such programs like MSE-CDP and ZED Certification.

The general implications of the table are that Mayurbhanj has many clusters of MSMEs based on local resources, traditional crafts, and agriculture, that there is a pressing need to institutionalise, train, and introduce technology to add value to productivity and sustainability

Table:7.3. Medium Scale Enterprises, Potential Service Sectors, and New MSME Opportunities in Mayurbhanj

Sl. No.	Category	Name of Unit / Sector / Product	Location / Description
Medium Scale Enterprises			
1	Medium Scale Enterprise	Eastern Hatcheries Pvt. Ltd.	Angarpada, Jashipur, Mayurbhanj
2	Medium Scale Enterprise	Singhal Agri Industries Pvt. Ltd.	Subhangan, Kedia Market Complex, Ward No. 6, Main Road, Rairangpur, Mayurbhanj
Potential Areas for the Service Industry			
3	Service Industry	Agro Servicing Centres	—
4	Service Industry	Auto Repairing	—
5	Service Industry	Electrical Repairing Shop	—
6	Service Industry	Beauty Parlour	—
7	Service Industry	Recycling of Used Lubricant	—

8	Service Industry	Gold Jewellery	—
9	Service Industry	Cyber Café	—
10	Service Industry	Diagnostic Centre	—
11	Service Industry	Colour Laboratory	—
12	Service Industry	Digital Photo Studio	—
13	Service Industry	Dry Clinic	—
14	Service Industry	Nursing Home / Clinic	—
15	Service Industry	Audio and Video Repairing & Servicing Centre	—
16	Service Industry	Tent House	—
17	Service Industry	Veterinary Poly Clinic	—
18	Service Industry	Herbal Health Treatment Clinic	—
19	Service Industry	Dry Cleaning	—
20	Service Industry	Rural Godown	—
21	Service Industry	Hardware Shop	—
22	Service Industry	Grocery Shop	—
23	Service Industry	Supermarket / General Store	—
24	Service Industry	Book Stall	—

25	Service Industry	Piggery	—
26	Service Industry	Industrial Consultancy	—
27	Service Industry	Xeroxing	—
28	Service Industry	Industrial Testing Laboratory	—
29	Service Industry	Colour TV Network	—
30	Service Industry	Servicing Industries	—
31	Service Industry	Advertising Agencies	—
32	Service Industry	Modern Laundry and Dry Clinic	—
33	Service Industry	X-Ray Clinic / Patho Lab	—
34	Service Industry	Tele Printer / Fax Services	—
35	Service Industry	Liquid Fried Petroleum Gases	—
36	Service Industry	Poultry Fast Food	—
37	Service Industry	Furniture Repairing	—
38	Service Industry	Beauty Parlour (Duplicate Entry)	—
39	Service Industry	Coaching Center	—
40	Service Industry	Agriculture Service Center	—
41	Service Industry	Advertising Agencies (Duplicate Entry)	—

42	Service Industry	Tailoring	—
43	Service Industry	Sports Shop	—
Potential for New MSMEs			
44	New MSME Opportunity	Poly Leaf Cup and Plate	—
45	New MSME Opportunity	Paper Cup Plate	—
46	New MSME Opportunity	Sisal Plantation and Rope Making	—
47	New MSME Opportunity	Corrugated Fibre Board	—
48	New MSME Opportunity	Fuel Briquette	—
49	New MSME Opportunity	Sal Seed Oil	—
50	New MSME Opportunity	Bee Keeping and Honey Processing	—
51	New MSME Opportunity	Bamboo and Cane Products	—
52	New MSME Opportunity	Neem Seed Processing	—
53	New MSME Opportunity	Palua Powder	—
54	New MSME Opportunity	Tamarind Powder / Starch / Concentrate	—
55	New MSME Opportunity	Siali Rope	—
56	New MSME Opportunity	Articles Made out of Sabai Grass (Rope, Sofa Sets, Artistic Materials)	—
57	New MSME Opportunity	Jhuna / Lac	—

58	New MSME Opportunity	Lactic Acid	—
59	New MSME Opportunity	Ethyl Alcohol	—
60	New MSME Opportunity	Rubber Adhesive	—
61	New MSME Opportunity	Bidi Manufacturing	—
62	New MSME Opportunity	Wooden Electrical Accessories	—
63	New MSME Opportunity	Wooden Musical Instruments	—
64	New MSME Opportunity	Wooden Pencil	—

Sources of: Ministry of MSME.gov.in

The table highlights the industrial diversity of Mayurbhanj district, covering existing medium-scale enterprises, service sector opportunities, and potential MSME ventures. Medium-scale units like Eastern Hatcheries and Singhal Agri Industries show growth in agri-based industries. Service areas such as repair shops, tailoring, and diagnostics offer local employment prospects. New MSME opportunities in bamboo, sal seed oil, honey, and sabai grass products reflect the district's resource-based potential, emphasizing sustainable rural development through entrepreneurship and skill-based industrial expansion.

Table 7.4 Role of MSMEs in Boosting the tribal Rural Economy in Mayurbhanj

Dimension	Valid Data / Evidence	Methods of Authentication
Economic Contribution	MSMEs create local employment, enhance entrepreneurship, and support livelihoods in tribal-dominated areas.	Verified through District MSME Report (Govt. of Odisha), Census 2011 data, NSSO surveys.
Tribal Context	Mayurbhanj has a >58% tribal population, primarily dependent on agriculture & forest products. MSMEs diversify income sources.	Census of India, Ministry of Tribal Affairs, Odisha Economic Survey.
Skills Shortage	Entrepreneurs rely on traditional practices; limited training in business management, technical knowledge, digital literacy.	Observed in field surveys, reports from Odisha Skill Development Authority (OSDA).

Institutional Support Gaps	Poor training infrastructure, lack of entrepreneurial education, weak linkages with markets & financial institutions.	Data triangulated from MSME Department reports, TRIFED, ORMAS, and local NGO studies.
Constraints on Growth	Low competitiveness, limited market flexibility, confined to small local markets.	Validated through secondary research (NABARD, SIDBI, World Bank MSME studies).
Sustainability Potential	MSMEs can act as drivers of inclusive rural development, poverty alleviation, and women's empowerment if skilling gaps are addressed.	Supported by UNDP rural livelihood frameworks, national MSME policy documents.

Sources of: District MSME Report, Mayurbhanj (Directorate of Industries, Govt. of Odisha)

Deficiency of technical Skill in MSMEs in Mayurbhanj:

One of the most acute problems the MSMEs face in Mayurbhanj is the lack of adequate technical expertise among the workers and the entrepreneurs. Most businesses continue to apply outdated production methods, and there is limited information available on how to operate modern machines, implement quality control processes, or utilise new methods for producing goods. The outcome of this skill deficiency is low productivity, low product standardisation, and failure to meet market demands, especially when competing with goods manufactured in other technologically advanced regions. As observed in the field and through secondary reports, a majority of the rural entrepreneurs are not aware of the latest tools and techniques that can make them more efficient, reduce wastage and add value to their products. Lacking proper training on how to operate machines, maintenance and quality assurance, MSMEs in Mayurbhanj remain stuck in their traditional ways and cannot sustain growth. This technical facility is required to close this gap of skills with certain training programs and applying technology on how to enable these enterprises to grow and become competitive in larger markets. Managerial Skill Shortage in MSMEs of Mayurbhanj.

One of the key shortcomings that have been witnessed in the development of MSMEs in the Mayurbhanj district is a lack of managerial skills among the rural entrepreneurs. The number of business owners who do not know how to control finances in an effective way are forcing poor budgeting, inefficient cash flow management, and overreliance on informal sources of credit. The management of records is minimal or non-existent, and thus enterprises struggle to monitor costs, revenues or the investments to allocate in the future. Additionally, there is poor development of marketing strategies, as most entrepreneurs utilise their local markets and through word-of-mouth sales instead of looking at expanding market connectivity or utilising digital platforms. This limits the transparency and competitiveness of their products. It has also been reported that most entrepreneurs are not knowledgeable about pricing, branding, and customer relationship management, which are critical to maintaining

and growing business operations. The lack of empowerment of managerial abilities will make MSMEs in Mayurbhanj remain in the same predicament of growth, profitability and long-term sustainability even though they have the capacity to generate rural livelihoods.

Entrepreneurial Skill Deficiencies in MSMEs of Mayurbhanj

Table 7.5. Entrepreneurial Challenges of MSMEs in Mayurbhanj

Dimension	Key Issues	Consequences	Way Forward
Skill Gap	Lack of entrepreneurial knowledge and modern business practices.	Limits innovation, competitiveness, and growth.	Entrepreneurship training programs.
Risk Aversion	Preference for traditional livelihoods due to fear of financial loss.	Restricts diversification, product innovation, and market expansion.	Risk-mitigation support & mentoring.
Program Awareness	Low knowledge of schemes like PMEGP, MUDRA, and ORMAS.	Entrepreneurs miss financial aid, training, and market linkages.	Awareness campaigns & institutional outreach.
Digital Literacy Gap	Limited skills in online marketing, transactions, and digital finance.	Hinders access to wider markets and financial inclusion.	Digital literacy workshops & e-commerce training.
Overall Impact	Weak entrepreneurial capacity in the MSME sector of Mayurbhanj.	Continued reliance on informal/unorganised operations; poor innovation & growth.	Strengthen skills, awareness, and mentorship.

Sources of: District MSME Report, Mayurbhanj (Directorate of Industries, Govt. of Odisha)

Impact on Rural Livelihood and Entrepreneurship:

- a. **Less productivity and competitiveness due to the** shortage of skills among the MSMEs of Mayurbhanj has contributed to a high level of productivity and competitiveness losses. The majority of businesses use outdated production methods and have very little technical expertise, which hinders efficiency and reduces the capability to manufacture goods in large volumes or at a steady standard of quality. Consequently, this makes the MSMEs struggle to meet customer expectations and compete with products in more developed regions that use modern technology and have superior quality control. Lack of innovation, poor managerial and marketing competencies also restricts their capability to grow into broader markets or build strong brand images. As a result, numerous businesses tend to stay within their local markets that have low profit potentials and low growth possibilities. Not only does this lower competitiveness in individual firms, but weakens the contribution of the MSME sector to rural livelihood and economic development within Mayurbhanj district.

- b. High dependency on traditional methods leading to limited scalability:** -One of the significant issues affecting MSMEs in Mayurbhanj is that they depend so much on the traditional approach to production and conduct of business that it increases their scalability to near zero. In most rural ventures and handicrafts, a lot of rural entrepreneurs and artisans still rely on the traditional methods passed down to them through their societies and mostly in areas such as handicrafts, weaving, and agro-processing. Although these techniques are culturally important and authentic, they can be laborious, time-consuming and produce low yields compared to the modern mechanised methods. Absence of exposure to high-level technology, insufficient training, and funding resources does not allow these enterprises to modernise their processes or introduce new innovative practices. Consequently, they are unable to increase production, satisfy the large-scale market demands, and tap into the national and global value chains. This reliance on traditional practices keeps the majority of the enterprises at the subsistence level of operation, restricted in their capacity to earn more income, create additional jobs, and play a positive role in transforming the rural economies of Mayurbhanj district.
- c. Underutilization of local resources and raw materials:** Even though Mayurbhanj is richly endowed with natural resources such as forest produce, minerals, agricultural produce and traditional crafts, there is an immense issue with MSMEs in the district taking proper advantage of the resources they possess. Due to a lack of technical know-how, lack of access to modern processing facilities and a lack of entrepreneurial skills, most of the available raw materials in the area are either underutilised or sold in an unprocessed form at very cheap prices. An example of this is the sale of forest products that cannot be turned into timber products and agro-based resources to the mediator instead of locally transforming them into high-value items. Similarly, the application of traditional craft expertise is not effectively favored by design innovation and engagement to the market that paralyzes production. This kind of underutilization is not only resulting in loss of potential revenue but also depriving the rural communities the chance of living a sustainable life. The local resources of Mayurbhanj can be a powerful foundational base of MSMEs and rural economic development, when it is utilized effectively through creation of skills, adoption of technology, and value addition.
- d. Migration of rural youth due to unemployment and lack of entrepreneurial opportunities :-**In Mayurbhanj district, the absence of sufficient employment opportunities and limited avenues for entrepreneurship has led to increasing migration of rural youth to urban centers. Many young individuals, despite having basic education, remain unemployed due to the lack of relevant skills required for modern MSME operations. The weak entrepreneurial ecosystem, coupled with poor exposure to training, credit facilities, and government schemes, discourages them from starting their own ventures locally. As a result, a large section of the rural youth is compelled to migrate to cities in search of low-paying jobs in construction, hospitality, or other informal sectors. This not only causes a drain of human capital from the district but also weakens the prospects of developing local enterprises that could otherwise contribute to rural economic growth. Strengthening entrepreneurship education, skill development, and MSME

support systems in Mayurbhanj is therefore essential to reduce migration and harness the potential of rural youth for sustainable development.

Government and Institutional Support:

- a. **Role of District Industries Centre (DIC) in promoting MSMEs:-**The District Industries Centre (DIC) plays a pivotal role in fostering the growth of MSMEs in Mayurbhanj by acting as a primary facilitator between entrepreneurs and government support mechanisms. DIC provides essential services such as business registration, guidance on government schemes, credit linkage, and technical assistance, which are vital for rural entrepreneurs who often lack awareness and resources. According to Mishra (2021), the effectiveness of DICs in Odisha lies in their ability to bridge the gap between policy formulation and grassroots-level implementation, thereby enabling small enterprises to access financial incentives, training programs, and marketing support. In Mayurbhanj, the DIC also assists in organizing skill development workshops and entrepreneurship awareness programs aimed at strengthening tribal and rural livelihoods. However, challenges such as limited manpower, bureaucratic delays, and inadequate outreach to remote areas often hinder its full potential. Strengthening the institutional capacity of DICs is therefore crucial for ensuring sustainable MSME growth in the district.
- b. **Initiatives like Skill India, PMEGP, and Odisha Skill Development Authority:-** Government initiatives such as *Skill India Mission*, the *Prime Minister's Employment Generation Programmed (PMEGP)*, and the *Odisha Skill Development Authority (OSDA)* have played a vital role in addressing the skill gaps that hinder MSME growth in districts like Mayurbhanj. These programs aim to enhance employability, provide financial support, and create an ecosystem for entrepreneurship development in rural areas. Skill India focuses on upgrading technical and vocational skills, while PMEGP provides credit-linked subsidies for setting up micro-enterprises. Similarly, OSDA has been instrumental in aligning state-level training programs with industry needs, particularly for youth in tribal regions. As noted by Das (2020), the convergence of such initiatives can significantly improve rural entrepreneurship by offering both financial assistance and skill-based training, thereby reducing unemployment and migration. However, in Mayurbhanj, the benefits of these schemes often remain underutilized due to lack of awareness, inadequate follow-up, and limited access to remote villages. Strengthening outreach and monitoring mechanisms could ensure greater effectiveness of these initiatives in fostering sustainable MSME growth.
- c. **Challenges: Limited outreach, mismatch between training and industry needs, lack of follow-up support :-**Despite the potential of schemes like *Skill India*, *PMEGP*, and initiatives of the *Odisha Skill Development Authority (OSDA)*, several challenges hinder their effective implementation in Mayurbhanj district. Limited outreach to remote tribal villages restricts many potential beneficiaries from even being

aware of these opportunities. Moreover, there is often a mismatch between the training provided and the actual needs of industries or local enterprises, resulting in skill sets that do not translate into employability or entrepreneurial success. The absence of consistent follow-up support—such as mentorship, financial handholding, and market linkage—further weakens the long-term sustainability of trained youth or new enterprises. According to Patnaik (2022), such gaps in design and execution reduce the overall impact of government initiatives, particularly in backward districts of Odisha where socio-economic vulnerabilities are already high. Strengthening monitoring systems, customizing training to local resource potential, and ensuring continuous post-training support are crucial to overcoming these challenges and making MSME development schemes more effective in Mayurbhanj district.

Recommendations:

a. Skill Development Programs: Tailored training modules in production, marketing, and financial management.

Skill development programs that focus on locally relevant training modules in production, marketing, and financial management are crucial for strengthening MSMEs in Mayurbhanj. Since most rural entrepreneurs lack exposure to modern production methods, structured training can help them adopt efficient techniques, ensure better quality control, and improve productivity. Similarly, marketing-oriented training can guide them in branding, packaging, and accessing digital platforms to expand beyond local markets. Financial management training is equally essential, as many entrepreneurs struggle with bookkeeping, budgeting, and formal credit utilization. As highlighted by Mohanty (2021), context-specific and practical training programs, when linked with ongoing mentorship, significantly enhance entrepreneurial confidence and business sustainability in rural Odisha. For Mayurbhanj, integrating such tailored modules into government and NGO-led initiatives could directly address existing skill gaps and empower rural communities to develop competitive and scalable enterprises.

b. Capacity Building: Strengthening SHGs, cooperatives, and rural entrepreneurs through workshops.

Capacity building plays a vital role in empowering rural entrepreneurs, self-help groups (SHGs), and cooperatives in Mayurbhanj to actively participate in the MSME sector. Through regular workshops and hands-on training, these groups can develop essential skills in leadership, enterprise management, collective bargaining, and resource mobilization. Strengthening SHGs and cooperatives not only enhances their financial literacy but also equips them to access formal credit, manage savings effectively, and negotiate better terms in the marketplace. According to Rout (2020), capacity-building initiatives that combine technical knowledge with soft skills such as teamwork and communication significantly improve the resilience and sustainability of rural enterprises in Odisha. For Mayurbhanj, where

community-based organizations have deep social roots, focused workshops can serve as a catalyst for creating inclusive entrepreneurship, enabling marginalized groups—especially women and tribal communities—to contribute meaningfully to local economic growth.

c. Digital and Technical Literacy: Encouraging digital marketing, e-commerce, and ICT-based business solutions.

Promoting digital and technical literacy among rural entrepreneurs is essential for enhancing the growth potential of MSMEs in Mayurbhanj. With increasing reliance on digital platforms for trade and communication, equipping entrepreneurs with skills in e-commerce, online marketing, and ICT-based business solutions can expand their market reach and reduce dependence on traditional sales channels. Digital marketing training enables local producers to showcase their products beyond village markets, while e-commerce platforms open access to regional, national, and even international customers. Moreover, ICT tools can streamline business operations, from inventory management to financial transactions, fostering efficiency and transparency. As noted by Panda (2021), digital literacy not only improves competitiveness but also empowers rural entrepreneurs to adapt to changing business environments and consumer preferences. In Mayurbhanj, integrating digital skills with traditional production practices could transform local enterprises, helping them achieve scalability, profitability, and sustainability in the long run.

d. Public–Private Partnerships (PPP): Collaboration between government, NGOs, and industries for sustainable skill training.

Public–Private Partnerships (PPPs) have emerged as an effective strategy for enhancing skill development and entrepreneurship in rural areas like Mayurbhanj. By combining the resources and expertise of government agencies, non-governmental organizations (NGOs), and private industries, PPPs can deliver comprehensive training programs that are both practical and market-oriented. Such collaborations help in designing curricula aligned with industry requirements, providing modern equipment for hands-on training, and ensuring post-training support such as mentorship and market linkage. According to Behera (2020), PPP models in Odisha have successfully bridged the gap between theoretical knowledge and practical application, resulting in improved employability and entrepreneurial performance among rural youth. In the context of Mayurbhanj, leveraging PPPs can address existing skill deficiencies, promote sustainable enterprise development, and create a more resilient MSME ecosystem that benefits both local communities and the broader regional economy.

e. Policy Support: Simplification of credit facilities, mentorship programs, and incentivizing innovation.

In Mayurbhanj, policy support is very vital in the development of MSMEs and the improvement of rural entrepreneurship. Ease of availing credit facilities makes sure that small entrepreneurs are able to get the financial assistance in time without lengthy processes and are able to invest in modern equipment, increase production and meet working capital needs. Government or industry mentorship schemes can

give advice on business planning, risk management and market expansion which is especially useful to first-time entrepreneurs. Furthermore, the provision of grants, awards, or tax incentives promotes innovation by local businesses, who can use it to test out new products, processes, and services and thus gain greater competitiveness. Sahu (2021) said that the sustainability and scalability of MSMEs in rural Odisha can be implemented successfully by effective policy interventions that integrate financial support, technical advice, and incentives to encourage innovation. Policies in Mayurbhanj can be organized to enable entrepreneurs to better their positions, dependency on traditional systems can be minimized, and economic development in rural areas can be facilitated in a wider way.

Conclusion:

The paper highlights the crucial impact of Micro, Small, and Medium Enterprises (MSMEs) in fostering rural livelihoods, women and men employment and inclusive economic development in Mayurbhanj district, Odisha. Although the district has a strong potential to develop based on entrepreneurship, the development of MSMEs is limited by lack of key skills that are essential in development-technical, managerial and entrepreneurial skills that hinder productivity, innovation and competitiveness. Such gaps not only limit the growth of local enterprises, but also harm the socio-economic performance through underuse of the local resources, decrease in the income opportunities, and even lead to migration of rural youth. This analysis shows that specially designed interventions including context-specific skill development programs, capacity-building workshops, digital literacy trainings, mentorship programs, and policy enabling activities can significantly improve the performance of MSMEs. These skill gaps may be addressed by strengthening institutional mechanisms and encouraging cooperation between government, NGOs and private sectors, as well as empowering local communities and enabling a more sustainable and resilient MSME ecosystem. Finally, these issues can be solved by developing a concerted skills improvement and entrepreneurship initiative to detect the full potential of MSMEs, thus leading to self-reliance, economic empowerment, and sustainable rural development in Mayurbhanj.

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