



## Women at the Center of Governance: Policy Innovations under Mission Shakti

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### ABSTRACT

There has been a growing centrality of gender-responsive governance as a major voice of sustainable development. Decentralized local governance structures and self-help group (SHG) movements have become institutional frameworks of promoting the mobilization of women in making decisions at the location in India. This paper is a critical analysis of the policy 1 innovations of the policy of Mission Shakti which is a flagship women centric program of Government of Odisha and how it has made women central to the process of governance. The study relies on the secondary data, governmental reports (2017-2026) and recent academic literature to analyze institutional restructuring, financial inclusion apparatus, digital empowerment programs and market integration strategies that are part of the introductions of the Mission. The results indicate that Mission Shakti is a type of governance innovation model reflecting economic empowerment and participative leadership, thus enhancing inclusive local governance. The paper ends by locating policy points and issues pertinent to the scaffolding of gender-responsive systems of governance.

**Keywords:** Decentralization, Financial inclusion, Gender policy, Governance, Self-Help Groups, Women

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### 1. INTRODUCTION

It is a well-known fact that women involvement in governance systems is a predictor of sustainable and equitable development (World Bank, 2020). In addition to the representation in politics, their meaningful participation demands institutional structures which facilitate economic autonomy, collective agency and leadership growth. The SHG movement in India has become the most powerful socio-grass root institution of women empowerment (Sanyal et al., 2019). The Government of Odisha in 2001 introduced the initiative known as Mission Shakti, which can be seen as a major example of a gender-responsible governance innovation that has been subsequently institutionalized by the creation of a special organization in 2017. The Mission has also changed women who were passive

beneficiaries to active governance stakeholders by organizing women into federated SHGs and integrating them into financial systems, developing skills ecosystems, and local governance platforms (Government of Odisha, 2023). It examines the process through which the policy innovations on Mission Shakti have operationalized women at the center of governance and discuss its implication to decentralized development. Empirical evidence indicates that combined SHG systems enhance the bargaining power of women and institutional confidence in the local governments (Beaman et al., 2020).

According to recent assessment, federated SHG arrangements under the umbrella of Mission Shakti have contributed to the enhancement of deliberative involvement in the Gram Sabha affairs and local

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development planning. There is empirical evidence that transparency is increased, welfare schemes are better targeted, and accountability in service delivery is increased with collective platforms by women (Agarwal, 2018; Sahoo, 2023). Furthermore, convergence programs between SHGs and the agriculture, nutrition, and livelihood missions show calculable changes in the diversification of household income and social capital formation (Rathi et al., 2025). These spillovers of governance add to the point made that economic collectivization, when institutionally implicated, is a source of participatory democracy and inclusive rural change.

## 2. WOMEN-CENTERED GOVERNANCE

Women-centered governance are institutional arrangements that:

- Enhance group involvement of women in decision making
- Improve economic autonomy
- Enhance leadership capabilities
- Make policy design gender responsive

The SHG model is compliant with the participatory governance theory that focuses on decentralized interaction and shared responsibility (Cornwall, 2018). By being put together at the higher-order level, SHGs can have an impact on the planning, budgeting, and implementation in the local and district levels (Sahoo, 2023).

## 3. INSTITUTIONAL ARCHITECTURAL SHAKTI OF MISSION

By 2025, Mission Shakti has mobilized nearly 70 lakh women in over 6 lakh SHGs in rural and urban Odisha (Government of Odisha, 2023). Such multi-level design will provide accountability, representation, and communication of policies at all governance levels. These organizations are federated in several levels: Federations of Gram Panchayat Level, Block Level Federations, District Level Federations. The formation of an independent Department of Mission Shakti enhanced the administrative coordination, monitoring, and convergence between departments (Government of Odisha, 2023). This change in the institution turned the programme into a scheme of welfare approach to one of a department of governance with policy making powers.

## 4. MISSION SHAKTI POLICY INNOVATIONS

### 4.1. Financial Inclusion and Credit Architecture

Mission Shakti is based on financial inclusion. Women have been able to have direct access to formal financial institutions through SHG-Bank linkage

programme, interest subvention schemes, revolving funds and seed capital support. According to the Annual Activity Report (2022-23), more than Rs. 11,000 crore were disbursed to SHGs in the form of credit linkages, which meant significant inclusion in formal banking networks (Government of Odisha, 2023). According to the scholarly research, access to institutional credit empowers women in household and communities by increasing the bargaining power (Kabbeer, 2017). Credit systems scaling efforts by the Mission Shakti in Odisha have transformed women to economic decision-makers rather than micro-savers.

### 4.2. Planning of a Co-operative Society

Mission Shakti has promoted the creation of producer groups and enterprise projects that are managed by women in the agricultural sector, handloom, food processing and rural industries. Cooperation with sectorial skills councils and national institutions 2024-2026 has enhanced access to the market and training in entrepreneurship (Department of Mission Shakti, 2025). This process of changing the collective governance structures, the micro-finance collectives, to enterprise governance structures is a shift towards economic citizenship. Women are not just income earners but they are co-managers of local production systems and supply chains (Rashid et al., 2025).

### 4.3. Online Governance and Financial Literacy

With development partners, digital and financial literacy modules have been launched in order to enhance women in digitized governance and economic platforms (IPE Global, 2024; Ghosh et al., 2024). Tools of leadership communication. Information asymmetry is minimized and women are more involved in e-governance systems through digital empowerment (World Bank, 2020). Such interventions comprise: E-learning modules, Digital payment training, and Online bookkeeping.

### 4.4. Social Governance and Community Leadership

These activities demonstrate a change of governance in which the groups of women impact on the normative and behavioral aspects of development in a community (Sahoo, 2023). The MSHGs are actively involved in: Public health awareness, Sensitisation programs on gender, Anti-child marriage drives, Social welfare monitoring.

## 5. GOVERNANCE OUTCOMES

The women leaders who are formed as a result of SHG federations are more and more involved in

Panchayati Raj Institutions and district planning committees. The confidence and negotiation ability are nurtured by exposure to financial management and collective leadership (Sanyal et al., 2019). It has been found that SHG-founded economic models are involved in household resilience in economic shocks (Kumar & Pradhan, 2022) (Padhiary et al., 2023). Federated SHGs have facilitated community relief and resource distribution when there are periods of crisis. Mission Shakti promotes the values and principles of gender mainstreaming in budgeting, planning, and implementation of programme by institutionalizing women collectives in the formal government structures (Tripathi et al., 2025).

## 6. CHALLENGES AND LIMITATIONS

Although there are notable gains, there are still some obstacles (Dash and Das, 2023):

- Risks of Market Saturation: Enterprises need to be diversified in terms of value chain as well as demand.
- Capacity Gaps: Literacy and digital competence inconsistency influence homogenous performance.
- Political Neutrality: It is important to ensure independence of federations to political influence.
- Longitudinal Impact Measurement: In-depth impact assessment is absent.

## 7. POLICY IMPLICATIONS

Embedding women's collectives within governance frameworks strengthens participatory democracy and inclusive growth (Ghosh et al., 2024). Mission Shakti offers replicable lessons for other states:

- Institutional autonomy enhances programme sustainability.
- Financial inclusion must be linked to market ecosystems.
- Digital literacy is essential for modern governance participation.
- Federated grassroots models ensure scalability and accountability.

## 8. CONCLUSION

To sum it up, the example of Mission Shakti can be considered the transformative approach to providing gender-sensitive governance, which goes beyond the welfare provision and institutionalized engagement and leadership. The programme has managed to incorporate financial inclusion, enterprise creation, digital literacy, and social mobilization into a

unified policy framework by federating women self-help groups into cohesive governance frameworks. The innovations have enhanced the economic agency of women as they have also increased their participation in the local decision-making and oversight of the community. The convergence strategy implemented after 2017 further institutionalized the women collectives in the main systems of governance, making it more accountable and participatory in its planning. Despite market sustainability-related issues, digital capacity, and the need to revise their long-term evaluation procedures, the Mission shows how decentralized organizations can be restructured to place women in the center of policy, instead of being beneficiaries. With India progressing in the gender equality promise, Mission Shakti contributes to a roadmap that can be copied when it comes to engraving inclusive governance into the development architecture. Mission Shakti is a radical governance innovation which combines economic empowerment and participatory leadership. The programme transforms the positions of women in the governance systems by formalizing women SHGs in financial, digital and policy frameworks. Instead of considering the women as beneficiaries, it makes them co-architects of development. Mission Shakti provides a real-life model on how to build a gender-responsive system of governance on the basis of decentralized engagement, economic empowerment, and collective agency as India moves towards Sustainable Development Goals.

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