

**FROM TRADITION TO TRANSFORMATION: THE ROLE OF ODOP IN
RESHAPING UTTAR PRADESH'S ECONOMY**

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ABSTRACT

The aim of this scheme was to correct regional imbalances, importance to skill based employment in order to reduce rural unemployment and to revive dying crafts by stimulating sustainable local economic growth by focusing investment in rural areas. The state has a strong rural based socio- economic landscape but there are various challenges faced by the traditional industries in the state resulting in extinction of many artisanal craft and increase in rural migration. ODOP has tried to balance the economic growth of the state by generating employment and production at local level and in rural areas in order to transform the regional economy and eradicate the problem of unemployment and migration. In the year 2018-19 only 57.69% budget was sanctioned out of the budget provision and 42.28% was utilized out of the sanctioned budget. This ration doubled in the year 2022-23 98.10% budget was sanctioned out of the budget provision and 98.25% was utilized out of the sanctioned amount of the budget which shows the fast progress of the scheme in the state. Training to the local people has also increased many folds from 5944 in 2018-19 to 21000 in 2022-23. The annual growth rate of all products under ODOP also has a substantial growth of 5.77% from the period of inception 2017-18 to 2024-25. The product wise annual growth rate in export shows highest growth of Sports Good and Equipment at the rate of 15.85% and export of Wood Crafts at the rate of 12.70%. The lowest annual growth rate of export of Meat and Edible Meat Offal is at the rate of 4.87% and for Glass and Glass ware 4.88%. The highest employment generation under ODOP was 146.36% in 2020-21 over the previous year 2019-20. The study shows that the scheme a steady progress in the state providing employment opportunities to the local artisans and has made a substantial growth in the economy of the state.

KEYWORDS: Artisans, Employment, Sports Goods And Wood Crafts.

1. INTRODUCTION:

UP government launched this scheme on 14th January 2018 with the aim to accelerate economic development through product and area based specialization. It identifies and promote traditional and district-specific product by adapting globally acclaimed OVOP concept for decentralizing production.¹ The aim of this scheme was to correct regional imbalances, importance to skill based employment in order to reduce rural unemployment and to revive dying crafts. The underlying principle was to stimulate sustainable local economic growth by focusing investment in rural areas to strengthen marketing strategies, reviving policy and branding.²

Uttar Pradesh being the largest state and have contribution of approximately 8.3% towards National GDP.³ It is the highly populous state but it has strong rural based socio-economic landscape. The traditional industries also facing various issues i.e. absence of modern technology, sufficient market reach, weak access to credit and lack of standardization. This was resulting in extinction of many artisanal craft and increase in rural migration.⁴

State government integrated the scheme with the various program of the central government to handle the various difficulties faced at different stages of operation. This integration with the various schemes of the central government have enhanced the capacity building, skill development and helped in increasing the export of the commodity.⁵ The decentralization of industrial policy in UP, made ODOP scheme as a flagship program of the state.

2. Rationale of the study:

The role of the ODOP is engaging local artisans and creating employment which leads to reduction in the migration of workers to other states. The unemployment and migration of labourers to other state are the crucial problem of the state. ODOP has tried to balance the economy of the state by transforming the regional economy and eradicate the problem of unemployment and migration. The major problem of every economy is equal distribution of wealth and production activities. ODOP provides opportunities to reduce these imbalances. Promotion of traditional industries and extending their reach to the markets made ODOP economically rationale also. ODOP products have made growth in revenue of the state by 37.3%. The total output in the financial year 2019-20 was Rs. 2950.9 crores and in the financial year 2020-21 it was Rs. 4052.4 crores.⁶ Various state of art facility of packaging, branding, online selling through portal and better linkages between buyers and sellers are behind this sharp growth. ODOP has made many products i.e. leather goods, locks and sports items which are top performing. Therefore, it becomes imperative to have detailed study of ODOP which has shaped the economy of the state.

3. Objectives of the Study:

1. To assess progress of ODOP in the state.
2. To study the policy decisions, institutional mechanism and branding strategies.
3. To study the effect of ODOP on traditional income generation and employment in the state.
4. To study impact of ODOP on the economy of the state.
5. To find out the complexities in front of ODOP Scheme in the state.
6. To give suggestions to improve ODOP scheme in the state.

4. Research Methodology:

This is a descriptive type of research uses secondary data. Various government reports, documents, published articles and websites were referred for collection of data and their analysis. It focuses on to understand the progress of ODOP scheme towards employment generation, opportunities to local artisans and entrepreneurs and finally its role in the Regional Economic Revitalization of economy of Uttar Pradesh. To find out the product wise growth in export of ODOP products from the state, Compound Annual Growth Rate (CAGR) has been used. The formula to measure the CAGR change is $Y=ab^t$. The trend rates have been found using the semi-log function of the form $\text{Ln}Y = a+ rt$ (where $r=\text{Ln}(b)$). The annual trend rate of growth is calculated as $\% \text{ growth} = (\text{antilog of } r - 1) \times 100$. Thus, the trend rates reported here and elsewhere denote the exponential growth rate per annum.

5. Review of Literature:

Yadav et al 2021. According to his research the ODOP scheme was launched by keeping in mind to promote the local product of each district so that these product get identification at national as well as international level. This will help in achieving the socio-cultural advancement of the people of every district through the local artisans involved in this.

Bhakuni, S.S. (2024). This research focuses on perfume industry of Kannauj. It evaluated the success story of ODOP from its inception in 2018 to 2021. The study reveals that the success story of the ODOP depends upon social, economic and traditional industrial growth. The study analysis related policies and its effects on development of the region. It also focuses on sector specific legal set up.

Natsuda 2011. This study focuses on significant role of the territorial product for the growth of the state and nation. This scheme is the step towards development of the community through regional expertise, available underutilized resources in the rural economy and local artisans.

Dr. Amiya Kumar Mohapatra Tamanna Mohapatra (2023) The ODOP Scheme's Positive Economic Impact on Rural Craft. The study focus on influence of ODOP scheme on rural industries which shows increase in employment and expansion of market. The study highlights that how the traditional craft is revitalized. It examines the relationship of the protection of traditional knowledge and intellectual property rights in economic policies.

Pandey, S (2024) ODOP Scheme and its Sustainability in Prayagraj, UP, India. It examines the challenges and long term sustainability. It studies the major factors responsible for the long term endurance of the scheme. It is also important for the legal research and policy formulation and its implementation.

Agrawal, R., & Alam, J. (2023) 'Overall Impact of the ODOP on Economy of Uttar Pradesh'. It highlights the role of the scheme in increasing revenue of the local artisans and globalization of the demand. It shows the creation of 5, 00,000 jobs, its role in community development by providing employment and boosting local crafts. The study is important for legal studies as it highlights the importance of policies for traditional industries which save our culture heritage in consultation with legal frameworks and economic development.

1. Overview of Economy of U P:

The economy of the state is dynamic and have diverse economic base consists of agriculture, industry and service sectors. The economy of the state is at 3rd position in respect of its share in

Nation's economy. The state GSDP in 2023-24 was 25.48 lakhs crores. It is rapidly growing state with ambitious targets to become a trillion-dollar economy. It faces several challenges to translate the growth into equitable outcome particularly in rural areas despite its economic advantage. The contribution of service sector towards GSDP is 48.91%, industry sector (secondary sector) is 28.53% and agriculture sector is 25.6%.⁷ Few cities like Noida and Lucknow are hub for IT, education and healthcare sector. Leather, glassware, brassware and sports goods are the dominant industrial sectors. Though the share of Agriculture sector is declining in state GSDP but it is still important for employment generation especially in eastern sector of the state. Despite so many advantages, the per capita income was Rs. 71356 in the year 2022 is significantly below the national per capita income of Rs. 150326 for the same year.⁸ These economic disparities are there at all levels. The key purpose of this scheme was to provide equal opportunities in the rural and traditional economic activities.

6.1 MSME and Economy of Uttar Pradesh:

There are 89 lakh MSME registered on Udyam till 2023 in Uttar Pradesh which makes largest concentration of the MSMEs in the State. The registered MSMEs of Uttar Pradesh are 14.2% of total MSMEs of the country. Gorakhpur, Kanpur, Meerut, Moradabad and Agra are the hub for these MSMEs and their main products are leather, bras, garments, wooden toys and agro based goods. These MSMEs provide employment to 1.9 crores peoples and it is the backbone of the economy of the state. These MSMEs also support the export. Despite the huge potential in this sector, MSMEs in UP faces major hurdles i.e. outdated machinery, issues of power supply, lack of formal credit, inadequate knowledge of certifications, technical knowhow and branding and marketing. In order to provide integrated support and to make this scheme successful various MSME facilitation centers were established.⁹ Government has also launched portal to address the grievances. ODOP was launched to overcome the difficulties faced by the MSME. Access to various facilities was extended to make them more competitive and stand in the market. ODOP has formalized all informal enterprises by encouraging Udyam registration. This holistic approach of the government increased productivity and market reach thereby increasing income levels of the people of the rural areas.¹⁰

6.2 Need for localized Economic Growth:

Unemployment is the major problem of the state. This has increased seasonal migration of the labour force to different states of the country in search of the work. This has dislocated their families also and created shortage in agricultural and craft based production of the state. Therefore there was a need of localized economic model that can absorb the labour force and reduce the migration to other state. This localized economic model of ODOP was most suitable for the state to create employment and increase in income level. The women artisans in Moonj industry in Prayagraj has earned sustainable income without migration and the Shazar stone industry in Banda employed 600 traditional skilled artisans due to ODOP only. It has strengthen people in the rural areas by providing employment and production opportunities at their door. This has led to social cohesion and sustainable regional stability.¹¹

ODOP Scheme: Objectives, Origin and Evolution, Structure, Implementation Mechanism, Product Identification, Institutional Support and Financial Assistance:

7.1 Objectives of the ODOP Scheme:

1. To develop and preserve the local craft skills and promotion of arts.

2. To start district wise economic activities and promote their product.
3. To enhance the market access of the local product in order to fetch more revenue and popularity.
4. To reduce migration of labour by increasing local employments and incomes.
5. To make optimum utilization of resources in rural areas by improving their skill development.
6. To increase in export by adding local products.

7.2 Rise of ODOP Scheme:

This scheme was launched in the state in 2018 in all the districts of the state by selecting one unique product for each district. The policy was framed to provide the institutional support to each district. The main objective of the scheme was to provide the growing opportunities and platform to the local artisans to make their product economically viable. While selecting the product under ODOP importance was given to its historical, cultural and employment generating potential.¹² The traditional and regional Products i.e. embroidery, brassware, Zari- Zardozi and some agricultural items were added but later on after its successful implementation, many more products were added. Other state government like Maharashtra and Rajasthan has also adopted these programs. The ODOP along with various central government programs integrates with MSMEs which has shifted the economic growth. This process has provided more employment opportunities.¹³

The ODOP scheme works on the idea of integrated value chain approach by selecting one product per district. The prime objectives are to generate employment, formalize informal enterprises to grow them, revive dying crafts. The scheme is liberal to change the core products under ODOP. It is also aligns with the target of the Atamirbhar Bharat initiative and Prime Minister's mission of Viksit Bharat @2047.

7.3 Implementation Mechanism of ODOP:

The implementation process of ODOP works at different operational levels and in integration with different departments of the government. The work of framing policy and its guidelines lies with two internal departments of the state. DGFT (Directorate General of the Foreign Trade) and DEPCs (District Export Promotion Committees) both work in collaboration to look after the promotion of export. Their team comprises of officials, artisans, representatives of the industry and traders. ODOP provides support to micro food processors. ODOP is more popular due to its decentralized nature of providing economic opportunities to grass root level.

7.4 Product Identification:

As ODOP focuses on one product one district formula so product identification is the important part of its success. The product is decided after a deep discussion with all stake holders, market analysis and availability of raw materials. It is ensured that every product represents cultural heritage and economic strength of the district.¹⁴ DEPCs approves this whole process and intimate to the concerned. To standardize and promote the products they are integrated with other catalogues.

The list of the product under ODOP selected for each district is as given below:

TABLE-1

Sl. No.	District	Product
1	Allahabad	Moonj Products
2	Ambedkar Nagar	Textile Products
3	Amethi	Moonj Products
4	Ayodhya	Jaggery
5	Basti	Wood Craft
6.	Balrampur	Food Processing (Pulses)
7	Bhadohi	Carpet (Dari)
8	Banda	Shazar Stone Craft
9	Bijnor	Wood Craft
10	Agra	Leather Products
11	Amroha	Musical Instruments
12	Aligarh	Locks & Hardware
13	Auraiya	Food Processing (Desi Ghee)
14	Azamgarh	Black Pottery
15	Shamli	Iron Arts
16	Saharanpur	Wood Crafting
17	Shravasti	Tribal Craft
18	Sambhal	Handicraft (Horn-Bone)
19	Siddharthnagar	Kala Namak Rice
20	Sitapur	Carpet (Dari)
21	Kasganj	Zari Zardozi
22	Lakhimpur Kheri	Tribal Craft
23	Lalitpur	Zari Silk Sarees
24	Lucknow	Chikankari & Zari Zardozi
25	Maharajganj	Furniture
26	Sonbhadra	Carpets
27	Sultanpur	Moonj Products
28	Unnao	Zari Zardozi
29	Varanasi	Banarasi Silk Saree
30	Meerut	Sports Products
31	Mahoba	Gaura Stone Craft
32	Mirzapur	Carpets
33	Mainpuri	Tarkashi Art
34	Moradabad	Metal Craft
35	Budaun	Zari-Zardozi
36	Baghpat	Home Furnishings
37	Bahraich	(Wheat-Stalk) Handicrafts
38	Bareilly	Zari-Zardozi
39	Ballia	Bindi (Tikuli)
40	Ghaziabad	Engineering Goods
41	Gonda	Food Processing (Pulses)
42	Gorakhpur	Terracotta
43	Hapur	Home Furnishing
44	Hardoi	Handloom
45	Barabanki	Textile Products

46	Bulandshahar	Ceramic Product
47	Chandauli	Zari-Zardozi
48	Chitrakoot	Wooden Toys
49	Deoria	Decorative Products
50	Etawah	Textile Products
51	Hathras	Hing 'Asafoetida'
52	Hamirpur	Shoes
53	Jalaun	Handmade Paper Art
54	Jaunpur	Woollen Carpets (Dari)
55	Jhansi	Soft Toys
56	Kaushambi	Food Processing (Banana)
57	Prayagraj	Moonj Products
58	Pratapgarh	Aamla Products
59	Raebareli	Wood Work
60	Rampur	Applique work along with Patch Work, Zari Patchwork
61	Sant Kabir Nagar	Brassware Craft
62	Shahjahanpur	Zari-Zardozi
63	Kannauj	Perfume (Attar)
64	Kushinagar	Banana Fiber Products
65	Kanpur Dehat	Aluminium Utensils
66	Kanpur Nagar	Leather Products
67	Etah Farrukhabad	Ankle Bells (Ghungroo), Bells
68	Fatehpur	Bedsheets and Iron Fabrication Works
69	Firozabad	Glassware
70	Gautam Buddha Nagar	Readymade Garments
71	Ghazipur	Jute Wall Hanging
72	Mathura	Sanitary Fittings
73	Muzaffarnagar	Jaggery
74	Mau	Powerloom Textile
75	Pilibhit	Flute

Source: Narayan and M Sundaramoorthy (2014) Members of Faculty College of Agricultural Banking Reserve Bank of India Pune.¹⁵

7.5 Institutional and Financial Support:

ODOP provides support to its entrepreneurs and artisans by extending training programs on production techniques, quality control and packaging. There are numerous financial assistances with easy and less paper work provided to the concerned to grow the business in order to boost the economy of the state. Industrial parks and CFCs centre help to provide infrastructural support. This helps in better use of machinery in order to enhance the quality of the product. On line portal helps in branding and promotional aspects for better marketing of the product.¹⁶ E-Commerce integration with Government e- Marketplace (Gem) and Flipkart's Samarth program helped in better price realization and more market reach of the product. Many products of leather footwear and brassware have been now nationalized as well as globalised.¹⁷ Government has provided HS codes to the products and link to the export facilitation centers for better identification. To provide better platform to the product, ODOP has started many programs which provide better opportunities to stake holder for further planning. It has started training

program also in online selling, customer engagement, transforming traditional business into e-commerce and customer engagement.¹⁸

Under financial assistance, it provide various credit facilities and subsidies for prompting infrastructure development, export promotion and globalization of the product. Theses financial assistances are divided into four categories according to the need and nature of demand as well as keeping in view the need of the stake holders.¹⁹

The State Government has launched Finance Assistance Scheme for the stake holders through Margin Money Scheme. Several financial assistances are provided to finance the stake holders in the ODOP scheme. Many national as well well as local banks are also included to extend this facility. Table- 2 below shows the cost of the project and subsidy provided under the scheme which up to 20 lakhs maximum depending upon the project.

Table- 2 Provision of Margin Money Subsidy

Project Cost	Margin Money Subsidy
Projects cost upto Rs. 25 lakhs.	25% of PC or Rs. 6.25 lakhs (whichever is less).
Projects cost between Rs.25 - 50 lakhs.	20% PC or Rs. 6.25 lakhs (whichever is higher).
Projects cost between Rs.50 lakhs to 150 lakhs.	10% of PC or Rs. 10 lakhs (whichever is higher).
Projects cost above Rs.150 lakhs.	10% of PC or Rs. 20 lakhs (whichever is less).

Source: Kumari Dipshi and Mohammad Anees (2025).²⁰ *PC is Project Cost.*

8. ODOP and Economy of Uttar Pradesh:

8.1 Progress of ODOP in the State:

The prime objective was to decrease the regional disparities in the economy of the state by promoting the local artisans and regional economy. This is achieved by preserving local culture, promoting local crafts and artistic skill. Reduction in migration was another important objective of the scheme which will increase employment opportunities and promote their product at national and international level. This will also help in raising the income of the residents by providing facilities of better packaging, branding strategies and facility of export. These all objectives achieves the target of reducing regional disparities and aim to strengthen every district.²¹

Table- 3 below indicates different sectors and their number of products and percentage share in ODOP scheme. Textile and Garments sector have highest 21 products with share of 27.6% in ODOP. Second place is occupied by the Handicrafts and Arts sector.

Table-3 Category wise Statistics of ODOP

Sectors	Products	Percentage Share
Textile and Garments	21	27.6%
Handicrafts and Arts	19	25.0%
Food Processing	09	11.8%
Metal and Engineering	04	5.3%
Wooden Products	03	3.9%
Leather Products	02	2.6%
Others	18	23.7%

Source: ODOP Official Website.

8.1.1 Budget Support and Expenditure under ODOP:

The budgetary support to ODOP is provided under the different categories in the form of subsidies, margin money and assistance to run the different program under this scheme. These different categories are as given in the para 7.5 under the heading Institutional and Financial Support.

Table- 4 below reveals that in the initial phase of ODOP the Rs. 235 crores was provision of budget and 135.57 crores was sanctioned, and only 57.32 crores was utilized. But as the time passes the provisions amount 263.75 cores and sanctioned amount was 258.75 crores in the year 2022-23 both increased. The utilized amount was Rs. 254.23 crores which is 98.25% of the sanctioned amount. This shows the sustainable growth of the scheme in the state.

Table- 4 Budgetary Provisions and Expenditure under ODOP (2018-19 to 2022-23) (in crores)

Year	Budget Provisions (Rs)	Sanctioned Amount (% against Provisions)	Expenditure (% against Sanction)
2018-19	235	135.57 (57.69)	57.32 (42.28)
2019-20	250	163.63 (65.45)	136.01 (83.12)
2020-21	250	184.65 (73.86)	177.05 (95.89)
2021-22	250	250 (100)	241.20 (96.48)
2022-23	263.75	258.75 (98.10)	254.23 (98.25)

Note: figures in the bracket are in percentage.

Source: ISID (Institute for Studies in Industrial Development).²²

8.1.2 Training and Tool Kit Progress for Artisans and Entrepreneurs under ODOP:

This scheme was started to train the local skilled people to start their business smoothly. **Table - 5** Training and Tool Kit Progress under ODOP shows that target set and target achieved in training as well as target set and achieved in tool kit is above 96 % in both training and tool kit in the year 2018-19 and the same is being maintained till year 2022-23. The target and achieved for training and tool kit both have increased many fold more than 14 times till the year 2022-23 which indicated fast progress of the ODOP scheme.

Table- 5 Training Program and Tool Kit Distribution under ODOP (2018-19 to 2022-23)

Year	Training (No.)			Tool Kit (No.)		
	Target	Achieved	%	Target	Achieved	%
2018-19	6175	5944	96	5644	5644	100
2019-20	20000	19529	98	18929	18929	100
2020-21	16000	15999	100	15549	15549	100
2021-22	21000	21000	100	20625	20425	99
2022-23	21000	21000	100	20625	20325	99
Total	84175	83472	99	81372	80872	99

Source: ISID (Institute for Studies in Industrial Development).²³

8.2 Growth in GSDP and Per Capita Income:

The contribution of Uttar Pradesh to nation’s GDP is 9.2% approximately.²⁴ Since it launched on Jan 24, 2018, the ODOP has boosted the state economy toward a \$ 1 trillion target. The state is projected to be the India’s 3rd largest economy with estimated GSDP of ₹ 30.80 trillion. The

revenue of the state has increased from 2950.9 crores to 4052.4 crores from FY 2019-20 to 202-21. This is a revenue hike of 37.3% by ODOP scheme. The sales of ODOP products through the e-commerce platform flipkart alone reached to ₹1000 crore in the same fiscal year. The last seven years data from 2017-18 to 2023-24 as indicated in the **Table – 6** below indicates that there is substantial growth from ₹1439926 crore to ₹ 2547861 crore in the year 2017-18 to 2023-24. There is a substantial growth in per capita income also from ₹ 57944 to ₹ 93514 (advance estimate)

Table-6 GSDP and per Capita State Income of Uttar Pradesh²⁵ (At Current Prices)

Year	GSDP of the State (Rs. Crore)	Income Per Capita (Rs.)
2017-18	1439926	57944
2018-19	1582180	62350
2019-20	1700062	65660
2020-21	1640097	61598
2021-22	1981367	74055
2022-23	2284104	84126 (rev quick est)
2023-24	2547861	93514 (adv est)

Source: State Income Estimate, Economics & Statistics Division, UP (2024).

8.3 Growth in Export and International Recognition of the State:

Major part of the export from Uttar Pradesh is from ODOP products. Therefore, ODOP scheme has enhanced the export of the many products of the state. **Table 7** shows that ODOP scheme contributed to an estimated export value of Rs. 65982 crore for ODOP products in 2018-19 an increase of 19.94% over the previous year 2017-18. The estimated value of the export of the ODOP is estimated to have reached to approximately ₹ 2 trillion as of 2025, compared o ₹55,008 crore in 2017-18. Every year there is substantial rise in export. The highest growth recorded in ODOP export over previous year is 19.94% in 2018-19 and 28% in 2021-22. The growth in total value of export of state has also growth of 28.18% in the year 2018-19 and 29.51% in 2021-22. The product like Varanshi Silk Sarees and Moradabad’s Brassware are the major source of earning foreign currency. By promoting innovation, creating conducive environment and enhancing productivity for MSMEs, ODOP scheme actively contributes to UP economy. The timely changes in the policies have made benefit to every stake holder. There are many local products in ODOP which are figured as key product of the export and gained popularity.

Table-7 ODOP and State Export

Year	Export Size of ODOP Products (Rs Cr.)	Growth of Export Over Previous Year	Total State Export (Rs. Crore)	Growth of Export Over Previous Year
2017-2018	55,008	--	88,967	--
2018-2019	65,982	19.94%	1,14,042	28.18%
2019-2020	72,000	9.12%	1,20,356	5.53%
2020-2021	75,000	4.16%	1,21,139	0.65%
2021-2022	96,000	28%	1,56,897	29.51%
2022-2023	1,10,000	14.58%	1,74,037	10.92
2023-2024	--	--	1,70,340	-2.12%
2024-2025	--	--	1,86,000	9.19%

Source: UP Export Data, Export Promotion Bureau, Uttar Pradesh (2024).

8.3.1 Product wise Growth in Export of ODOP Products from the state:

To study the product wise growth of export, the Compound Annual Growth Rate of seven major products has been calculated. These products are the major contributor to the export of ODOP in the state. **Table-8** shows the Compound Annual Growth Rate of these major products of ODOP since its inception in 2017-18 to 2024-25. The growth rate of meat and edible meat offal is 4.30%. The carpets and mats have the growth rate of 6.45%. The growth rate of glass and glass ware is 5.01%. Leather and leather products have growth rate of 6.46%. The growth rate of plastic and plastic article is 7.90%. Sports good and equipments have the highest growth rate of 16.34% among all the studied items. The growth rate of wood crafts item is 12.04%. There is a substantial increase in the growth rate of these products which shows the proper functioning of the ODOP scheme in the state.

Table-8 Product wise Growth in Export of ODOP Products from Uttar Pradesh

Name of the Product	Year wise Production								Value of CAGR
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Meat and Edible meat offal	14733.85	15716.89	13246.53	14015.48	14537.54	14860.13	18505.29	19781.27	4.87%
Carpets and Mats	4048.12	4606.15	4062.77	4515.83	5470.15	5404.40	5516.06	6266.63	6.31%
Glass and Glassware	1212.73	1502.71	1543.11	1542.69	1952.15	1549.06	1575.05	1707.91	4.88%
Leather and Leather Product	2586.72	2881.92	2906.51	2724.38	3894.27	3712.71	3401.69	4007.98	6.75%
Plastics and articles	1615.76	2378.10	1567.01	1829.02	2103.31	2117.19	2479.23	2750.89	6.91%
Sports Goods and Equipments	481.48	663.00	669.29	696.23	1086.49	1179.78	1214.70	1387.50	15.85%
Wood Crafts.	921.82	1189.60	1279.45	1619.57	2511.17	2035.84	2017.21	2043.64	12.70%
All Products	25600.48	28938.37	25274.67	26943.20	31555.08	30859.11	34709.23	37945.82	5.77%

Source: Compiled from Export Promotion Bureau, Lucknow Uttar Pradesh, UP Government Portal.

8.4 Empowerment to Entrepreneurs and Local Artists:

ODOP products has substantial rise in the growth of ODOP revenue to 37.3% in FY 2020-21. Notably, the women artisans have primary role in the manufacturing of these local products under ODOP. This increase in come has made them financially sound at household and community level which has led to greater economic stability among women artisans. Different training program related to skill development have equipped artisans for current market demands.²⁶ ODOP has provided special opportunities for women artisan to develop their skill and increase in income. This has positive impact on their families and on communities. It is the power full step of the government to eradicate gender inequalities and empower the women.²⁷

8.5 ODOP and Employment Generation:

The scheme has created 5 lakhs jobs which is a notable increase in the employment level of the state. The key sectors are garments, readymade and many other where opportunities for jobs have been created. The financial scheme of the government under ODOP have discouraged migration of labourer. There are many projects of more than 4000 crores started by the government to boost the ODOP.²⁸ This large financial backing definitely will lead to numerous job opportunities in future also.

Table- 9 given below reflects that the employment generated in the year 2018-19 was 10733 in the first year of its inception. This has increased to 46911 in the year 2022-23 with in 04 years of inception which is more than four times of its initial year. It shows that there is substantial increase in the employment level specifically in the rural areas where migration of labour was more.

Table- 9 Employment Generated under ODOP Scheme

Year	Employment Generated	Growth Rate
2018-19	10733	--
2019-20	15363	43.14
2020-21	37848	146.36
2021-22	45705	20.76
2022-23	46911	2.64
Total	156560	--

Source: Working Paper of ISID (Institute for Studies in Industrial Development) Pg. 20.

Table- 10 shows the area wise increase in the employment in the state. The area near to the capital is more beneficial and has generated employment of 98345. The eastern sector has also significant benefit from the scheme in terms of employment with employment generation of 34859. The total employment generation is more than 156560 in the state.

Table- 10 Sector Wise Employment Generated in ODOP (2019-20 to 2022-23) ²⁹

Sectors	No. of Districts	Number of Employment Generated
Western Sector	30	98345
Eastern Sector	28	34859
Central Sector	10	20760
Bundelkhand Sector	07	2596
All	75	156560

Source: Working Paper of ISID (Institute for Studies in Industrial Development), Pg 20.

9. Challenges in Implementation of ODOP:

Though the state has successfully implemented ODOP but challenges will always be there which needs to be addressed.

9.1 Infrastructural and Technological Constraints:

Infrastructure and technology are the main constraints in implementation of the scheme in Uttar Pradesh specifically in the regions of Bundelkhand and Purvanchal. The poor infrastructures i.e. road connectivity, electricity and access to other facilities have badly affected the performance of the artisans and micro-industrialists operating in the areas. Despite advantage of cultural and

economic potential many ODOP clusters are not able to utilize the proper benefit of the Common Facility Centers (CFCs) because of operational issues of machinery, lack of skilled labour and delay in maintenance and lack of awareness among artisans. Technological backwardness is also one of the hindrances in product innovation and scaling of the product. Digital technology is the major role playing factor behind all the things. All works of the product whether branding, packaging and exporting, everything is controlled by this. The traditional producers find difficulties in handling of the product on different stages. Thus infrastructure and technology constraints are still the major challenges.³⁰

9.2 Lack of Skilled Labourers and Training Facilities:

There is need to upgrade the current infrastructures as per the present demand of the market. The present market demands branding, need product diversification and packaging skill. They are necessary for making success story in the present market. The present training has now become non effective to address these issues. The new education policy in India has tried to include these concepts but the results are far away. There is lack of motivation for the younger artisans to continue in their traditional occupation due to poor recognition of the profession. The migration of the labourers and skill drain of the youth are the impact of these issues.³¹

9.3 Marketing Limitations:

The benefit of the facilities of marketing and positioning the product at international level has still not reached to the local artisans and producers of ODOP products. Their reach is still limited with market segmentation, pricing strategies and competitiveness of the product. The situation is worst in the rural areas. There is a need of up gradation in packaging, product quality and reach to global marketing. The lack of professional branding, export facility and marketing professionals have limited the global attraction of the product.³²

9.4 Analysis of the Strength and Weakness of ODOP Scheme:

SWOT analysis of the scheme shows its strength and weakness. The strength of the ODOP lies in the fact that it has motivated the local artisans and other professionals for developing the products at districts level and have reduced the migration of the workers to other state in the search of work. The women workers have started earning and this scheme has picked up momentum in the whole country. However, weaknesses are also equally evident. There are many factors at local level which have hampered the growth in ODOP at local level. The inconsistent training of artisans, unawareness and low access to credit, infrastructure gaps, weak marketing and insufficient monitoring system are the major factors which are contributed to poor growth of production in ODOP. These gaps could reduce sustainability of this scheme and lead to poor trust among the local artisans.³³

9.5 Financial Constraints:

The steps taken to streamline the approval of the loans are not enough and ground reality is different. It is frequently reported delays in receiving approvals for grants, pendency of applications and inconsistent support from local authorities. Shortage of staff is the common problem which reduces their engagement with the scheme. The time taken under subsidy disbursement is often several months creating financial crisis. Lack of digital literacy among local artisans is also responsible for timely disbursement of the subsidy. Government should appoint some staff to handle this issue and make the local artisans aware of it. Proper training of the artisans is also required to make them digitally aware about the system.

10. Suggestions to Improve ODOP Scheme:

The following are the few suggestions to improve the ODOP scheme for its effective implementation.

1. Development of Infrastructure: The CFC infrastructure should be developed in every cluster of the scheme. The facility of labs, modern tools and packaging units should be provided for the fast movement of the product. Cold storage and efficient transportation system should be provided.

2. Access to the Market: Market access to all the product of the ODOP should be expanded. A provision of state owned ODOP e-market should be developed with all digital infrastructures which should act as single window.

3. Skill Development: The training program of skill development should be integrated with educational institutions. ITI and other vocational institutions should integrate their training part in their course. The training eco system should be strengthened by including financial and digital well being.

4. Easy Access to Credit: Easy loan with low rate of interest should be provided to the local artisans in the rural areas to start and develop their business.

5. Insurance of the Equipments: A policy of micro insurance should be made for the machinery and equipment installed by the artisans and entrepreneurs. This will help them to safeguard from the unseen situations.

6. Real Time Monitoring on the ODOP Portal: A real time monitoring of the beneficiary of scheme provided under ODOP. The fund flow, beneficiary data and training outcomes should be monitored. Regular field visit by the Nodal officers, geo tagging and MIS integration can help in strengthening of the scheme.

7. Monitoring of ODOP Production and Export: The study shows that only few products have substantial share in the export and many products and districts are still lagging behind. The districts poor growth in production and least share in the export should be examined and if needed special financial grant should be given to them to raise their production.

8. The Success Story of High Performing Districts: The districts where ODOP is working successfully, their success story should be popularized in other districts to motivate the local artisans and entrepreneurs. They should be provided with special financial grant to boost the production.

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