



ODOP Policy, MSMEs and Entrepreneurship (with Reference to Uttar Pradesh)

Jitesh¹, Dr. Anil Raipuriya²

¹Research Scholar, J.S.Hindu P.G College, Amorha Uttar Pradesh

²Professor, J.S.Hindu P.G College, Amorha, Uttar Pradesh

DOI : <https://doi.org/10.5281/zenodo.20111960>

ARTICLE DETAILS

Research Paper

Accepted: 22-04-2026

Published: 10-05-2026

Keywords:

Local Industrialization, Micro, Small and Medium Enterprises (MSMEs) One District One Product (ODOP), Entrepreneurship Development.

ABSTRACT

The Micro, Small, and Medium Enterprises (MSME) sector plays an important role in the economic progress of India, especially in an area such as Uttar Pradesh (UP), where the traditional industry and local craftsmanship is firmly embedded in the culture. The One District One Product (ODOP) launched in 2018 aims to increase local entrepreneurship, employ people, and market district-specific products. This paper will examine the role that ODOP fulfills in promoting MSMEs and entrepreneurship within Uttar Pradesh. Additionally, it examines previous research, evaluates the effects of policies, pinpoints issues, and offers suggestions for sustainable development. The One district One Product (ODOP) regulation has actually helped a lot to the small and medium size business and entrepreneurs. It has helped to generate numerous jobs, improve exports and expand businesses. The policy has led the small and home based industries, through pushing towards new ideas, going digital and building brands, to leave behind the old methods of doing things and transform themselves into businesses to compete in the market. To add to this, the provision of government assistance, such as loans, online tools, and export assistance has boosted the entire entrepreneurial environment within the state. Nevertheless, there are certain issues such as the lack of access to the most recent technology, insufficient infrastructure and lack of technological awareness among people, which keep MSMEs at the limit of their



potentials.

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSME) segment is an interesting region in the economic development of India because it helps to generate a lot of employment, industrial production and exports. In such a diverse and populous state as Uttar Pradesh, where traditional crafts and localized industries have a long history, and where MSMEs can play a supportive role in developing the region economically and retaining its population. Noticing the potential of district-specific products and skills that have not been tapped, the Government of Uttar Pradesh introduced the One District One Product (ODOP) policy in 2018. The initiative will highlight the indigenous industries by discovering and encouraging unique products in each district therefore improving the local economies and improving the competitiveness of the world. The ODOP policy aims at offering an all inclusive framework that comprises of financial aid, skill training and capacity building, infrastructure services and market connections with artisans, business men, and women. The policy by specializing products, promotes entrepreneurship on the grassroots level, and facilitates the transformation of traditional jobs into sustainable business enterprises. Moreover, through ODOP, integration of digital platform, e-commerce and branding strategies have helped MSME to reach broader markets that are beyond local scope. The MSME sector in Uttar Pradesh is still struggling with a number of challenges although it has done a great job in terms of creating job opportunities, boosting exports and industrial growth. The lack of access to advanced technology, ineffective infrastructures, digital illiteracy, and financial constraints are some of the problems limiting the growth potential of small businesses. Hence, there is a need to consider the ODOP policy to determine how well it copes with these challenges and promote entrepreneurship. By creating jobs, exports and industry, the MSME sector contributes significantly to the growth of the Indian economy. Uttar Pradesh being one of the most populous and diverse states has a well-established bases of small business, handicrafts and traditional industries. To take advantage of this diversity, the Uttar Pradesh government launched the ODOP program on January 24, 2018 and aimed at encouraging the production of local goods and transforming every single district to a specialist production centre. The primary objective of the policy lies in finding unique products on the district level and helping them financially, developing talent, providing support to infrastructure, and promotion. The ODOP effort, which aims to encourage grassroots entrepreneurship and increase exports, is in line with larger national goals like Make in India, Vocal for Local, and Atmanirbhar Bharat. A number of scholars and researchers have studied the effect of MSMEs and ODOP in Uttar Pradesh. Lack of infrastructure and finance is a problem



that MSMEs face in Uttar Pradesh where they play a crucial role in terms of employment and industrial growth (Saxena 2024). ODOP has also rejuvenated the old industries by establishing product-specific industrial zones, boosting jobs, and advancing socio-economic factors (Usmani & Anees, 2024). Access along with language barriers limit the growth of MSMEs, which implies that policy communication must be locally-focused and inclusive (Dixit et al. 2025). ODOP has positive effects in small family businesses, artisan enterprises, particularly in the inspirational districts by supporting the traditional systems of production and enhancing market connection. Even though the existing literature benefits of ODOP are mentioned, there is a lack of literature that offers (Kanujiya et al. 2025).

OBJECTIVES

- To study the role of ODOP in MSME growth.
- To determine the major challenges of MSMEs.
- To examine how it affects development of entrepreneurship.

RESEARCH METHODOLOGY

The research is grounded on descriptive and analytical research design. The secondary as well as primary data sources have been used to analyze the effects of the ODOP policy on the MSMEs and entrepreneurship in Uttar Pradesh. Primary data was gathered using structured questionnaire questions that were filled by 500 respondents, and by doing an interview with the entrepreneurs, artisans and MSME owners, Businessmen, Customers. Government reports, journals and official publications were used to get secondary data. Data interpretation was done using the statistical tools, including percentages and Excel. This paper is conducted on a district level in Uttar Pradesh in order to evaluate the effectiveness of the policy, the problems and prospects of the sustainable development.

RESULT AND DISCUSSION

One District One Product (ODOP) initiative is a major aspect that supports the development of Micro, Small, and Medium Enterprises (MSMEs) in Uttar Pradesh, as it concentrates on specialization destined to district levels. ODOP assists MSMEs to focus on their strong points by coming up with unique products of different districts, thereby enhancing productivity, quality and competitiveness. This focused strategy minimizes market fragmentation and generates a solid brand identity of local products both in domestic and global markets. ODOP also supports financial assistance based on subsidies, accessible credit with ease and connections with government schemes which allow small business owners to grow

their businesses. The policy also puts focus on skills development, training programs, which improves the capacities of the artisans and workers and results in improved production methods and innovation. Its development of infrastructure, common facility centers, and better logistics further positively influences MSME development. The other significant input of ODOP is the advancement of digital platforms and e-commerce enabling the MSMEs to access larger markets beyond geographical borders. ODOP focuses on branding, packaging and promotion of products through export promotion which boosts the visibility and demand. All in all, ODOP empowers the MSMEs by providing job opportunities, enhancing exports, and the transformation of traditional sectors into viable and competitive firms.

Table- 01 The role of ODOP in MSME growth

Factor	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean Score
Product Specialization	230	220	25	15	10	1.71
Financial Support	215	210	35	25	15	1.83
Skill Development	210	200	40	30	20	1.9
Infrastructure	180	180	60	45	35	2.15
Market Access	225	215	30	18	12	1.75
Branding & Packaging	215	210	35	22	18	1.84
Export Promotion	205	200	45	28	22	1.92
Employment Generation	225	220	30	15	10	1.73
Overall Mean Score						1.85

Self-Sources: by author

Note: The answers will be measured using a 5 point Likert scale with 1 being Strongly Agree, 2 being Agree, 3 being Neutral, 4 being Disagree and 5 being Strongly Disagree.

The information in Table -01 brings out the perceptions of the respondents in as far as the application of the ODOP policy in enhancing the growth of MSMEs in Uttar Pradesh is concerned. The total mean score of 4.15 is a clear sign of a significant impact of the ODOP initiative on different dimensions on the positive side. The highest ratings have been filed on product specialization (mean = 4.29) and employment generation (mean = 4.27), which implies that the respondents strongly agree ODOP has contributed to product quality, competitiveness and creation of employment on the district level. Another



critical factor is market access (mean = 4.25), which tells about how digital platforms and e-commerce are effective at increasing the reach of business. The level of agreement is also high with financial support (mean = 4.17) and branding and packaging (mean = 4.16) being highly agreeable that the government support and promotion techniques have supported business development and value addition. The further indication of the enhanced entrepreneurial capabilities and global exposure of MSMEs is the skill development (mean =4.10) and export promotion(mean=4.08). Nonetheless, infrastructures (mean = 3.85) score relatively lower and this shows that the respondents were moderately satisfied. This is an indication that even after the improvements have been made, challenges based on logistics, transportation, and shared facilities remain a problem and need additional policy consideration. Altogether, the discussion shows that ODOP has been instrumental in empowering MSMEs through promoting entrepreneurship, improving the market prospects, and creating jobs. However, it will be necessary to address the infrastructural gaps to guarantee sustainable and inclusive development of MSMEs in the state.

Table- 02 Key challenges faced by MSMEs

Challenges	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean Score
Financial Constraints	205	210	40	25	20	1.89
Lack of Advanced Technology	202	205	45	30	18	1.92
Inadequate Infrastructure	195	195	50	35	25	2
Low Digital Literacy	202	200	48	28	22	1.94
Market Access Issues	205	208	42	25	20	1.89
Raw Material Availability	200	200	46	30	24	1.96
Skilled Labor Shortage	197	195	50	32	26	2.01
Regulatory Burden	195	190	52	35	28	2.04
Competition	207	210	40	25	18	1.87
Limited Innovation	200	200	48	30	22	1.96
Overall Mean Score						1.95

Self-Sources: by author



Note: the responses of this research will be measured under a 5 point Likert scale, with 1 being Strongly agree, 2 being agree, 3 being neutral, 4 being disagree and 5 being strongly disagree.

Table 02 demonstrate that MSMEs are experiencing a big disaster that impacts growth and sustainability. This has a high level of agreement among the respondents since the scale is on reverse Likert with low mean scores diametrically representing a high degree of agreement. This is a clear indication that the challenges identified are prevalent among the MSMEs in Uttar Pradesh. Among the factors, competition (mean = 1.87) and financial constraints (mean = 1.89) can be considered as the most critical ones. It means that MSMEs are highly pressured by bigger companies and imported products, as well as, experiencing poor access to finance and expensive borrowing rates. Likewise, the problems in the market access (mean = 1.89) and the absence of the modern technology (mean = 1.92) demonstrate the challenges that enterprises can have when trying to increase their reach and implement new methods of production. Innovative practices and technological awareness of the practitioners is further underscored by the low digital literacy (mean = 1.94) and low innovation (mean = 1.96). Other challenges have been identified to include raw material availability (mean =1.96) and scarcity of skilled labor (mean=2.01) that contribute to the extent of operational efficiency and productivity. Also, the insufficient infrastructure (mean = 2.00) and regulator burden (mean = 2.04) still pose significant challenges, even though they are comparatively average. Generally, the analysis shows multidimensional issues in regard to MSMEs. The solutions to these challenges revolve around better access to finances, technology, development of a better infrastructure and skills improvement programs as they are the key to making sure that the growth is sustainable and competitive.

Table- 02 Impact of ODOP on Entrepreneurship Development

Factor	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean Score
Promotion of Self-Employment	240	200	30	20	10	1.72
Startup Growth	220	210	35	20	15	1.8
Skill Development	210	205	45	25	15	1.86
Access to Finance	195	210	50	30	15	1.92
Digital Adoption	205	200	55	25	15	1.89
Innovation & Creativity	190	205	60	30	15	1.95



Market Expansion	215	210	40	20	15	1.82
Women Entrepreneurship	200	210	50	25	15	1.89
Income Improvement	225	210	35	20	10	1.76
Employment Opportunities	230	205	35	20	10	1.75
Overall Mean Score						1.84

Self-Sources: by author

Note: The responses will be measured as 5-point Likert scale, where Strongly Agree will be 1, Agree will be 2, Neutral will be 3, Disagree will be 4, and Strongly Disagree will be 5.

Table 03 show the effect of ODOP initiative on the development of entrepreneurship in Uttar Pradesh. The mean does not exceed 1.84, which would suggest that there is a significant agreement among respondents since the study is based on a reverse Likert scale where the lower the mean, the stronger the agreement is. This is a clear indication that ODOP has been very instrumental in encouraging entrepreneurship in the state. The lowest means of respondents as regards mean scores are promotion of self-employment (mean = 1.72) and employment opportunities (mean = 1.75) thus, it is clear that respondents strongly agree that ODOP has created new livelihood opportunities and encouraged people to start their own businesses. Likewise, there is also high agreement in income improvement (mean = 1.76) and startup growth (mean = 1.80), which implies that the policy has been implemented to achieve economic stability and growth of new businesses. Additional indicators are market expansion (mean = 1.82) and skill development (mean = 1.86) which further doesn't mean that ODOP has not improved business capabilities and allowed entrepreneurs to reach larger markets. Variables like adoption of digital (mean = 1.89) and women entrepreneurship (mean = 1.89) reveal the increasing role that technology and inclusivity play in entrepreneurship. Nonetheless, relatively larger means of innovation and creativity (mean = 1.95) and access to finance (mean = 1.92) indicate that these aspects, nevertheless, have to be addressed and improved further. In general, the review shows that ODOP has led to the development of entrepreneurship by facilitating job creation, boosting income, and developing innovations, but has some aspects yet to be supported by policy to ensure a continual growth.

CONCLUSION

The investigation into the policy of ODOP, MSMEs, and entrepreneurship in the context of Uttar Pradesh demonstrates the importance of the policy in encouraging an inclusive economic development. ODOP scheme has turned out to be a viable policy intervention in terms of utilizing the strengths and capacity of



each district to improve productivity, create job opportunities, and increase exports. Through its target at traditional industries and local products, the policy has managed to convert most of the small and home based units into organised and market oriented businesses. The summary of the study reveals that ODOP has contributed positively towards growth of MSMEs through product specialization, accessing markets and branding. It has also been instrumental in promoting entrepreneur spirit through self-employment promotion, startup development as well as the income boosting. The business ecosystem has been enhanced by the incorporation of the digital platforms and financial support systems, which help the MSMEs to go beyond the local markets. But in spite of the successes, there are a number of concerns. Poor infrastructure, access to modern technology, budgets, and poor digital literacy remain some of the challenges that limit the full potential of MSMEs. These issues require measures to be taken to make sure that the organization is able to maintain sustainability and competitiveness in the long term. ODOP policy has been a ground breaking policy towards development of MSMEs and entrepreneurship in Uttar Pradesh. By further policy support, enhancement of infrastructure, the application of technology and developing of skills, the initiative can additionally help in increasing sustainable economic growth, creation of jobs, and local products to international awareness.

SUGGESTIONS AND RECOMMENDATION

- **Increase Financial Access:** Facilitate more easier and cheaper credit access among MSMEs by simplifying lending processes and lowering the interest rates.
- **Enhance Technology Sensors:** Subsidize and support use of modern equipment and digital instruments.
- **Enhance Infrastructure:** to minimize the cost of production and distribution the better transport and storage and logistics facilities should be developed.
- **Empower Skill Building:** Have regular training to executive entrepreneurs and employees to enhance productivity and innovativeness.
- **Enhance Digital Literacy:** Organize awareness campaigns and training to ensure effective use of e-commerce and other digital marketing platforms among MSMEs.
- **Enhance Market Theme Correlations:** Increase market reach nationally and globally by conducting trade fairs, exhibitions and export promotion programs.
- **Foster Innovation:** Facilitate research and development processes to help in diversification and value addition of products.
- **Streamline Regulatory Procedures:** Streamline compliance and provide government transparency



and openness to the business world.

REFERENCE

- Dixit, O., Jatav, M., Wadhwa, S., Srivastava, S., & Kumar, D. (2025). *Catalyzing MSME growth in Uttar Pradesh: An inclusive and linguistically accessible policy design*. International Journal of Environmental Sciences.
- Kanujiya, P. K., Sahni, H., Dubey, P., & Mishra, S. (2025). *A study on reviving traditional industries through ODOP scheme*. International Journal of Environmental Sciences.
- Saxena, S. (2024). *Empowering MSMEs in Uttar Pradesh: Performance, challenges, and future prospects*. ShodhKosh Journal.
- Usmani, A. K., & Anees, M. (2024). *ODOP policy, MSMEs and entrepreneurship with reference to Uttar Pradesh*. Weser Books.
- Ministry of Micro, Small and Medium Enterprises, Government of India. (2022–2023). MSME Annual Reports.
- Times of India. (2026). *ODOP generated jobs and boosted exports in Uttar Pradesh*.
- Times of India. (2025). *UP to scale up ODOP globally*.
- Government of Uttar Pradesh. (2023). *One District One Product (ODOP) Scheme: Policy Framework and Implementation Report*
- Ministry of Micro, Small and Medium Enterprises. (2023). *Annual Report 2022–23*. Government of India, New Delhi.
- NITI Aayog. (2021). *Export preparedness index 2020: Report*. Government of India.
- Reserve Bank of India. (2022). *Report on Trend and Progress of Banking in India 2021–22*.
- Singh, R., & Verma, S. (2022). Role of MSMEs in economic development of India: Opportunities and challenges. *Journal of Business and Management Studies*, 4(2), 45–52.