

Overall Impact of ODOP on the economy of Uttar Pradesh: A scheme to rejuvenate economic condition in Uttar Pradesh, India

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Abstract

The present paper is based on the ambitious project of the Government of Uttar Pradesh 'ODOP' (One District One Product). The ODOP scheme was launched in 2018 in Uttar Pradesh. The paper consists of four main objectives; 1. To study the strategies of ODOP in Uttar Pradesh, 2. To analyse impact of the ODOP in Uttar Pradesh from 2018 to 2021, 3. To review the Scheme of the Government of Uttar Pradesh in the context of ODOP, and 4. To suggest best marketing strategies for ODOP. The result of the study shows that in the very short span of time ODOP has performed well. Implementation of ODOP is under strong Government policies and initiatives and government of Uttar Pradesh is reviewing policies continuously. The present study is an attempt to analyse overall performance of ODOP in Uttar Pradesh on the basis of secondary data which are collected through different websites and newspaper articles.

Key words: One District One Product, Schemes of ODOP, Strategy of ODOP, Marketing Assistance.

Introduction

One District One Product (ODOP) Concept:

ODOP is an initiative of Uttar Pradesh government. Government has identified one specific product from one district. Under the scheme of ODOP 75 specific items have been identified by the government of Uttar Pradesh. Uttar Pradesh is the first state who has launched this scheme in India. On 24 January, 2018 Government of UP launched this scheme with the aim to encourage and promote indigenous and specialized products found nowhere else. Likewise 'Kala Namak' a variety of 'Rice', rich in nutrition, taste and smell, Zari Zardozi work on clothes, Jaggery, sports items, leather goods and the intricate and stunning horn and bone work that uses the remains of dead animals rather than live ones. Government has given GI tags to many of ODOP products, which certify that a particular product is associated with a specific region of Uttar Pradesh. The ODOP initiative has revived many dying products.

The ODOP project is basically inspired by the OVOP (one village one product) project that was launched by Japan in 1979. Japan had launched the project with the aim of value addition to local products, to generate higher and regular income for local communities. After the grand success of this Japanese concept OVOP, many other countries like China, Korea, Vietnam, Thailand, Philippines had initiated this type of project. Some of them were successful but some were badly down.

Government of Uttar Pradesh has launched this project with following objectives and vision:

- To preserve, develop and promote local crafts and skills of the art.
- To decrease the migration rate and generate employment at the local level and increase income.
- To improve product quality.
- Transformation of products through packaging, branding.
- To resolve economic and regional imbalances.

Basically, the Government of Uttar Pradesh has followed the principle of self-reliance and human resource development through ODOP.

Impact of ODOP scheme on Economy:

New reports of the government of Uttar Pradesh show significant contribution in the sale of ODOP in November, 2021. Through the Flipkart portal, 2 crore ODOP products of Rupees 1000 crore were sold in the year 2020- 21 and Leather products of Agra, Locks from Aligarh and Sports items from Meerut are top trending ODOP on Flipkart. Government has joined hands with Flipkart for ODOP products last year. Within three year of launch of the scheme, ODOP has shown good success.

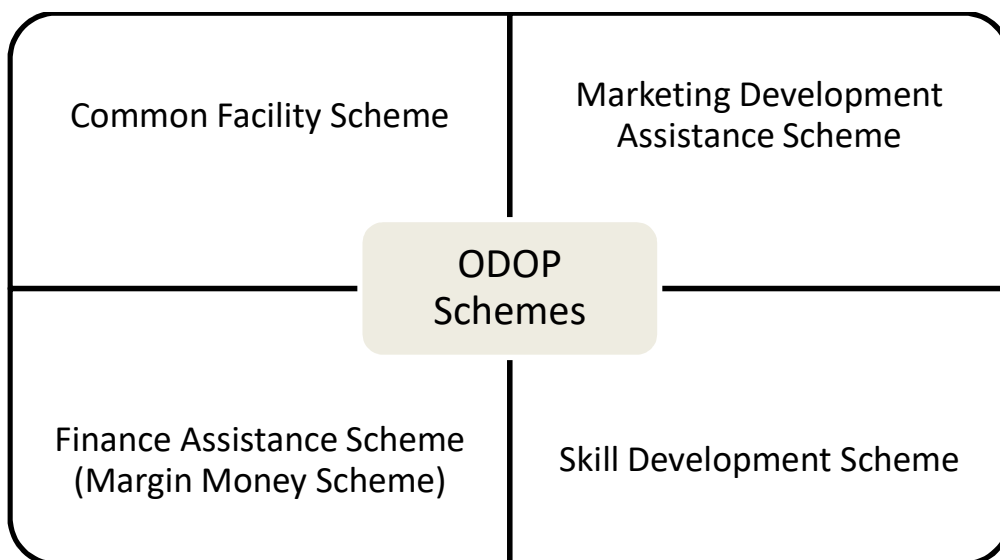
Geographical area of Uttar Pradesh is 2, 40,928sq km and around 204 million populations’ lives here and UP has the largest population in India. Economy of Uttar Pradesh contributes 8.3% in GDP. ODOP revenue has grown 37.3% to 4052.4 crore in the financial year 2020-21 from rupees 2950.9 crore in the financial year 2019-20, while total income was up 37.2% to rupees 4068.6 crore in the financial year 2020-21. The Government of Uttar Pradesh has organised a HunarHaat in Delhi for the artisan of ODOP including Varanasi silk, Chikankari of Lucknow etc. and recorded a sale of rupees 35 lakh in just ten days in the fare. Different community traditions, different economic status, variety of crops, foods and variety of local artisans show the huge diversity in Uttar Pradesh. Here Diversity leads to beautiful craft industries, the rare technique of wheat- stalk craft is also found. ODOP has provided a platform to the local artisans and boosted revenues and customer demands worldwide. ODOP campaign is promoting MSMEs and industrial goods. Government of UttarPradesh has reported 5 lakh Employment generations through ODOP and ranks first in readymade garments, handicrafts and food processing. Undoubtedly, ODOP scheme is a great initiative and leading towards community development of Uttar Pradesh through employment generation and promotion of local crafts.

The Government of India has also identified various products from across India under the scheme of ODOP to promote district wise products like 13 products from Andhra Pradesh, 24 products from Arunachal pradesh, 38 items from Bihar and so many from different districts.

Schemes of ODOP and its Review:

ODOP is an ambitious project and policies of the Government of Uttar Pradesh have supported it in a long way. From registration of business to financial assistant the government has formed policies.

Fig.1 ODOP schemes



1. Common Facility Centre (CFC) Scheme –Under this scheme, financial assistance of up to 90% of the project cost of a CFC would be provided by the state government.

Under this scheme government will provide following facilities like testing lab, design and development and training centre, technical research and development centre, products exhibition and selling centre, raw material bank and common resource centre, common production and processing centre, logistics centre, Centre for information collection, analysis, and broadcastings etc.

Common facility centre is a scheme of the state government to provide 90 percent of the project cost. It has played a significant role in development of MSMEs in Uttar Pradesh and generating employment opportunities. Testing labs, design development and training centres, R&D centres, raw material bank, processing centre etc. are key features of this scheme.

2. Marketing Development Assistance Scheme – Under this scheme, financial assistance will be provided to participants of national and international fairs/ exhibitions for display and sale of their products selected under ODOP program. Marketing Development Assistance (MDA) at achieving fair prices for the artisans, weavers, entrepreneurs and exporters of the ODOP products through better marketing. In the scheme, the Government provides financial assistance to participants of national and international fairs/ exhibitions for display and sale of their products related to the ODOP project. This initiative is very much significant as most of the problem for the weavers and artisans is associated with fair pricing. And if the supply sides have assistance for fair pricing, it would definitely work.

3. Finance Assistance Scheme (Margin Money Scheme) – Under this scheme, a certain margin of the project cost will be paid to the applicants in the form of subsidy to setup the project. In this scheme, all nationalized banks, RRBs will have to provide finance for the scheme and the development of MSMEs and the department of Export and Promotion shall release the subsidy against all applications submitted under the scheme. Money margin will be merged with subsidy amount after the successful completion of the enterprise. This policy is providing liberal finance to the entrepreneurs.

4. Skill Development Scheme – Under this scheme, skilled artisans will be trained through RPL (Recognition of Prior Learning) and will be certified through relevant Sector Skill Councils (SSCs) while the unskilled artisans will be provided a 10-day training and an advanced toolkit which will be free of cost. Government try to provide different types training program to enhance skills of concerned people by association with different institutions.

Strategy to Implement the Scheme

Government has joined hands with online market portals like Flipkart, ebay, Amazon to provide online marketplace to the local communities to sell their product. Online platforms provide a wide market space to ODOP. Furthermore, ODOP products are showcased at various places like Lulu mall, Exhibition, Government websites, Gem portal, ODOP websites, Mart, Districts website.

GI tags are further an addition in promotion of ODOP. Some products are manufactured everywhere but uniqueness of manufacturing is recognized by GI tags. It can transform the lives of artesian. Government is committed to promote GI-tagged products for success of ODOP product. Sambhal horn-bone handicraft and mahobagaura stone handicraft are recent GI- tagged products.

Government has provided following strategies for the implementation:-

Table: 1
Strategy to Implement the Scheme

Strategy	Details of strategies
Organizing Sectors	By providing specific platforms such as MSME sectors, Co-operative and Self Help Groups (SHGs), the artisans would be able to increase the quality and production of traditional products. This would lead to an increase in income and employment opportunities. Because it provide a sense of developing the business in a systematic way.
Creating a specific database	The scheme will extensively work on creating database exclusively on finding stakeholders, distribution of products, details on total production and export, raw material requirements and training to make the scheme available to all eligible people.
MoUs	To increase the skill, quality and productivity, ODOP has collaborated with several sectors such as Quality Control Of India (QCI), National Stock Exchange (NSE), Bombay Stock Exchange (BSE). To improve the marketing and promotion ODOP has collaborated with companies such as Amazon, Wipro GE Health Care, small entrepreneurs belonging to textiles, tourism, food processing in Uttar Pradesh.
Financial Stability	To provide financial support to the artisans without interruption, the scheme coordinates with MUDRA, PMEGP, Mukhya Mantri YuvaSwaroigar Yojana and Vishwakarma ShramSammanYojna. This flow of support helps ODOP to provide the required financial support to increase production.
Marketing	The government of Uttar Pradesh would collaborate with companies to widen the scope of distribution, increase online promotion and sales activities, advertising and publicity and create a micro plan to export products at national and international products.
Research and Training	To increase the skills to compete with manufacturers globally, technical and technological training are provided to the Artisans for increased productivity, innovation and research.

(Source: <https://www.indiafilings.com/learn/one-district-one-product/>)

Marketing Assistance& Strategies:

Marketing of a product plays a very crucial role in the development of any business in the economy. So these challenging jobs can be handled through different types of strategy and methods of marketing’s. Government and other stake holders of ODOP can facilitate marketing of ODOP through different types of ways like

1. ODOP/District website/Extranet

District wise ODOP website can be helpful to promote ODOP along with scaling sales. More channel of selling ODOP product can be scaled-up in numbers of selling. Extranet for selling of the ODOP product can be also helpful in sales.

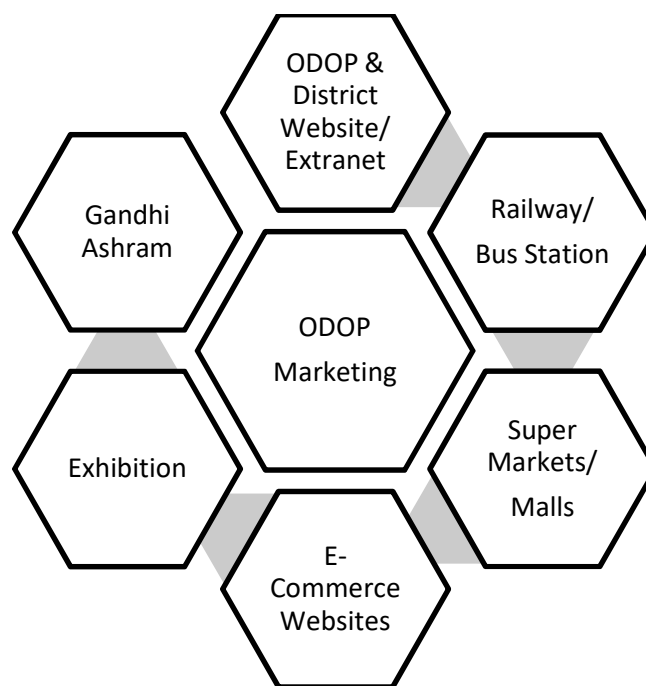
2. Railway/ Bus station

Railway and Bus station can be a good platform for promotion and selling of odop products because number of people visit there.

3. Super markets/ Malls/Shopping Centre

Super markets and Malls can b a big platform for promotion and selling of ODOP products, if Government can facilitate with them ODOP people can get more benefits.

Fig.2 ODOP Marketing assistance



4. E-commerce website

Government already have signed MoUs with different e-com companies like Flipkart to scale-up business of ODOP at national level so they have to keep it up.

5. Exhibitions

Exhibition are most populated place where people visit for entertainment as well as shopping so this types of opportunities must be grabbed by the marketers of ODOP.

6. Gandhi Ashram

Gandhi Ashram is very good example of selling traditional and local products which are made by different MSMEs. So this platform also can be used to promote and ODOP products.

Above marketing methods, strategy and policy can prove 360° assistance to the local communities of Uttar Pradesh as well as others states.

Suggestions:

- ODOP mall/shopping Centre can be established in state capital or large district i.e., commissionaires (Mandal)
- Auxiliary products like food, clothing, travelling & tourism, etc. also can be introduced with ODOP.
- There is always a scope of research to study impact of ODOP on local as well as state economy. Therefore research and development must be conducted time to time to adopt new changes.
- ODOP may be one of a sector which can be provide high employment in rural areas if profit will be high.
- Technology, new design and demand must be adopted in the development of ODOP.
- A committee should be formed to review ODOP activities and suggests adopting new changes.

- Large amount of profits must reach to those people who contribute more in ODOP development so that their morale must be high.

Conclusion:

Remarkable performance can be noted from the ODOP scheme of Uttar Pradesh Government. It has created lots of new jobs, revived many dying skills, establishment of new industries and a number of benefits can be counted here. Government policy has created a good business environment for local communities. The single window system has given opportunities to work in a smooth manner and no doubt it is contributing to GDP also. Now unused lands are also in use as the establishment of industries. Social condition of communities is also improving. More can be done through ODOP scheme,

1. Government has to identify more products from each district.
2. To widen the scope of ODOP, foreign collaboration should be done.
3. For the textile industry to make garments more up to date, trendy, partnership should be welcomed with some fashion institute and fashion designer.
4. More marketing is required for the products showing slow growth on ODOP platform.
5. Government should focus on development of infrastructure also.

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