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# PERFORMANCE OF HANDICRAFT SECTOR UNDER THE ONE DISTRICT ONE PRODUCT (ODOP) SCHEME – A COMPREHENSIVE STUDY IN SELECTED DISTRICTS

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## Abstract

The Handicraft sector, known for its rich art and traditional culture, has been contributing significantly for ages to the growth of the economy of India. It has also provided large-scale employment to the small artisans in local areas. However, this sector was lacking the required support for further growth, resulting in less interest among the artisans to take it up enthusiastically. The government has identified one district, one product (ODOP) to promote this sector through different types of support and incentives. The study examines the performance of the beneficiaries in the handicraft sector in selected districts of Uttar Pradesh state. The study is based on a primary survey assessing the qualitative performance of the artisans who benefited under the ODOP scheme. The personal interview method, based on structured questions and observations, was followed to undertake this study. The results reveal that beneficiaries have benefited to a larger extent and their handicraft products have witnessed a big boost, resulting in increased income and better living conditions. Besides, women entrepreneurs feel more empowered socially and economically.

**Keywords:** ODOP, Margin money subsidy, artisans, infrastructure growth, marketing

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## 1. INTRODUCTION

The handicraft industry occupies a crucial position in the socio-cultural and economic life of India, playing a multifaceted function in the conservation of traditional crafts, offering opportunities for employment, and contributing to rural development and exports. This industry is rooted deeply within India's rich historical and cultural heritage and includes a vast variety of products such as textiles, pottery, woodwork, and metal crafts. The sector relies on the inherent indigeneity and aesthetic appeal of local craftsmanship, representing not only a means of subsistence, but an integral element of India's intangible cultural heritage. As reported by UNESCO (2019), handicrafts are products manufactured using traditional knowledge and hand skills, which may be passed down from previous narratives. The crafts are deeply rooted within the cultural narratives specific to their respective regions and thus endow every product with a distinctive character and value (Yadav et al., 2024).

From an economic perspective, the handicraft industry is one of the major providers of employment after agriculture, employing an estimated 7 million people, who are largely rural artisans, women, and marginalized groups (Das, 2018). It is an important sector for rural non-agricultural labor, both skilled and unskilled. The sector also holds huge export potential, and Indian handicrafts are highly respected for their artistry and cultural values internationally (Ferreira et al., 2019). Nevertheless, for all that it does to enhance earnings and incomes and for exports, the structure has been largely unorganized, under-financed, and susceptible to structural and economic shocks.

Various studies (ASK, 2007; Basu et al., 2009; Mutua et al., 2004) have also stressed the relevance of cluster-based development approaches for the competitiveness of small-scale industries, such as handicrafts. Shared resources, learning from one another, and collective branding are all enabled by the cluster strategy and result in economies of scale and market interlinkages. Michael Porter (1990), for example, specifically stressed that clusters can be engines for economic development and contribute to innovation and productivity due to localized networks. Handicraft clusters' development in the Indian context, for example, has contributed visibly to improved income, skill levels, and social mobility of artisans. These advancements are, however, uneven and largely conditional upon access to markets and institution-related support

In this regard, the Government of Uttar Pradesh's One District One Product (ODOP) initiative is a policy-level intervention to refurbish traditional industries and crafts linked to a particular region (Yadav and Tripathi, 2024). Drawing from similar initiatives from nations such as Japan and Thailand, the ODOP initiative aims to identify one product of historical and economic relevance from every district and promote its development. The aim is to create a comprehensive system for every product so identified, including skill upgradation, financial support, infrastructure facilities, branding, and marketing linkages. By linking regional strengths to policy support, the ODOP initiative is intended to induce inclusive economic growth and bridge regional disparities while also containing distress migration by raising local levels of employment (Yadav et al., 2023).

The ODOP scheme is planned with an integrated support system, featuring a variety of elements that cater to the diverse needs of artisans and micro-entrepreneurs. These are provisions of fundamental infrastructure in Common Facility Centres (CFCs), capital support by way of margin money subsidies and PMMY loans, marketing support by way of exposure to exhibitions and online sites, and skill upgradation by way of government-run training programs like Samarth and NEPS. Notably, the scheme also accorded greater importance to the empowerment of women by providing an interface for women entrepreneurs to initiate or enhance their enterprises through special channels.

Despite the increasing appreciation of the potential of ODOP, there is limited systematic assessment of its impacts, particularly its qualitative impact on artisans' businesses and livelihoods. Most literature available examines the policy design and implementation machinery and pays limited heed to ground-level beneficiary perceptions. This study seeks to bridge that gap by carrying out a case study-based assessment of ODOP's impact across the handicraft sector of the study areas, which are selected districts of Uttar Pradesh: Gorakhpur, Bhadohi, Varanasi, and Azamgarh. All these districts boast a rich culture of production of handicrafts, ranging from wooden toys and black pottery to silk weaving and carpet production, that have been included within the ODOP fold for focused promotion and development.

The main goals of this study are two-fold: one, to investigate the type and coverage of support provided to handicraft artisans under the ODOP and government schemes related to it; and two, to examine the qualitative improvement of their socio-economic status, levels of skill, market access, and entrepreneurial confidence. Special regard is accorded to the position of women artisans, who are crucial to inclusive and sustainable development. The study uses a qualitative framework based on structured interviews and observational data from 25 artisans across the above-noted districts. This facilitates an insight into the beneficiaries' lived realities, perceptions, and aspirations that are usually missed out on in quantitative studies.

By documenting the grassroots reality of ODOP implementation and its effects on artisanal communities, this study adds to the existing literature on rural industrialization, empowerment of women, and local economic development. It also provides policy insights for improved implementation of the ODOP program for maximizing its effectiveness and potential for replication and scaling up in other areas. The study is also timely given the post-COVID pandemic recovery process, where industries such as handicrafts are potential sources for job opportunities, cultural sustainability, and decentralization of economic growth.

## 2. LITERATURE REVIEW

India's handicraft industry has been acknowledged for several centuries as a vital source of cultural continuity and rural economic growth. It is an indigenous knowledge system and a major source of income for millions, particularly for marginalized sections and women (UNESCO, 2019; Das, 2018). Nevertheless, for all its socio-economic relevance, the industry has been fragmented, inadequately resourced, and susceptible to market volatilities, policy omission, and the pressures of globalization (Dalal et al., 2023).

Empirical studies of the economic impacts of handicrafts always point to their ability to create jobs, especially where other sources of income may be scarce (Mutua et al., 2004; Basu et al., 2009). The informal organization of artisanal networks can be accessed and developed for the purposes of stimulating enterprises, productivity, and competitiveness using cluster-based models, according to Venkataramaiah and Parashar (2007). Michael Porter (1990) theory of clusters would support this view by arguing that localized production systems are crucial for developing competitive advantages via agglomeration, shared infrastructure, and collective learning.

A number of studies have examined the impact of cluster development programs in the Indian context. Tiwari (2002), while analyzing the bell metal cluster at Kondagaon, identified how interventions in technology, design, and marketing could go a long way to enhance incomes and visibility of artisans. Basu et al. (2009), for their part, noted how infusion of technology and coordinated management of clusters improved productivity of surgical instrument production in West Bengal. These experiences point to the ability of an enabling institutional environment to reinvigorate traditional industries if addressed to suit local capacities and needs.

Nonetheless, the literature also highlights that the success of such interventions varies and is often dependent upon the beneficiaries' awareness, access to resources, and administrative effectiveness. Kaushik and Jain (2015), for example, reported that almost one-quarter of handloom weavers in Maheshwar did not know that government welfare programs existed, largely because of their low levels of education and limited information dissemination. Srivastava and Bishnoi (2021) raised similar issues, stating that a significant percentage of the artisanal sector remains excluded

from mainline developmental programs even if they are eligible. This accentuates the need for outreach, transparency, and beneficiary inclusion in program implementation.

Women's roles within the handicraft sector have also achieved increased recognition within more recent literature. It is asserted by several authors that not only is handicraft an income source, but also a route to social and economic empowerment for rural women (McDonald et al., 2006; Lin & Sun, 2010). By contributing to traditional craftsmanship, they receive access to income, status, and decision-making opportunities within their homes and communities. Nevertheless, systemic issues like limited mobility, limited access to markets, and biased availability of skill training programs along gendered divisions undermine their full contribution.

Over the past few years, government initiatives like the National Handloom Development Programme (NHDP), Pradhan Mantri Mudra Yojana (PMMY), and Samarth (Scheme for Capacity Building of Textiles Sector) have attempted to meet these challenges by incorporating financial support, skill development, and marketing initiatives. Priyanka and Vimala (2021), for example, mentioned that handloom industry post-COVID recovery was somewhat boosted by focused financial support and online marketing platforms, although fewer than 15% of the weavers were initially helped by these programs.

In this policy environment, the One District One Product (ODOP) scheme from the Government of Uttar Pradesh stands out as a distinctive, district-oriented strategy for promoting handicraft. Inspired from similar schemes from Japan and Thailand, ODOP seeks to capitalise on the historical, cultural, and economic value of a district-level product by offering an integrated development package that encompasses support for infrastructure, finance, branding, and linkage to markets. Aditya Tripathi and Noopur Agarwal (2021) point out that ODOP reflects international best practice for regional development and holds huge potential for inclusive and sustainable growth for artisan groups. In spite of an increasing wealth of literature on ODOP and other government-level interventions, there is limited grounded, beneficiary-level evaluations that account for the qualitative benefits to artisan livelihoods, especially for female entrepreneurs. Most such evaluations are policy summaries or economic projections and do not represent the subtle insights of the artisans themselves. The study bridges this divide by presenting a grounded analysis of the implementation of the ODOP scheme and its felt impacts across the sample districts of Uttar Pradesh.

### 3. MATERIALS AND METHODS

This study employs a qualitative case study approach to assess the performance and experiences of beneficiaries in the handicraft sector under the One District One Product (ODOP) scheme in Uttar Pradesh. The rationale for selecting a qualitative methodology stems from the exploratory nature of the research objectives, which aim to understand not just the economic but also the social and cultural impacts of government support on artisans' livelihoods. A case study method enables an in-depth analysis of complex, context-specific phenomena, especially suitable for evaluating policy interventions in real-world settings.

#### 3.1 Selection of Study Area

The study focuses on five districts of Uttar Pradesh, each recognized for their traditional handicraft industries and included under the ODOP initiative. These districts and their associated products are as follows:

- Bhadohi: Renowned for carpet weaving, often referred to as the 'Carpet City' of India.
- Varanasi: Known for silk weaving and wooden toy craftsmanship.
- Gorakhpur: Recognized for its vibrant handloom sector.
- Azamgarh: Famous for its distinctive black pottery.

These districts were purposively selected based on the diversity of crafts, the level of government engagement under the ODOP scheme, and the historical significance of artisanal production in these areas. This multi-site approach provides a comparative lens to examine how the same policy framework operates across different socio-cultural and economic contexts.

#### 3.2 Sampling and Respondent Selection

The target population for the study comprises artisans and micro-entrepreneurs who have received assistance under the ODOP scheme and related government initiatives such as the Pradhan Mantri Mudra Yojana (PMMY), Samarth training program, and the Sant Kabir Handloom Scheme. A purposive sampling technique was employed to select 25 respondents (15 male and 10 female) from the district-level beneficiary databases obtained through the District Development Agencies (DDAs).

The sample was stratified by district and type of handicraft activity to ensure representativeness across different artisan subgroups. Special consideration was given to include women entrepreneurs, given the stated policy emphasis on gender empowerment. Within each stratum, respondents were chosen based on their active participation in the ODOP program and willingness to provide in-depth insights through interviews.

#### 3.3 Data Collection Techniques

Data collection was conducted through semi-structured personal interviews, supplemented by direct observation and document review (including ODOP scheme guidelines, government reports, and local implementation records). A structured interview schedule was designed to elicit information on several key dimensions:

- Nature and extent of support received (financial, infrastructural, training, marketing).
- Impact on income, employment, and quality of life.

- Perceived effectiveness of ODOP-related interventions.
- Challenges encountered and coping strategies.
- Gender-specific experiences and outcomes, especially among women entrepreneurs.

The interviews were conducted in the local language (Hindi) to ensure comfort and clarity for respondents, and were later translated and transcribed for analysis. Each interview lasted between 30 to 60 minutes and was conducted either at the respondent's workplace or home, ensuring minimal disruption to their daily routine.

#### 4 RESULTS

Given the qualitative nature of the study, a thematic content analysis was employed to identify recurring patterns, sentiments, and insights across the interview transcripts. The data were coded inductively, allowing themes to emerge organically from the narratives. Key themes included empowerment, income diversification, skill acquisition, market access, and sustainability of traditional crafts. Where relevant, comparisons were drawn across districts and gender categories to highlight variations in experiences and outcomes. To enhance the validity and reliability of the findings, triangulation was employed through cross-verification of interview data with observational notes and secondary documentation. Member-checking was also conducted with selected respondents to ensure accurate representation of their views.

The government of Uttar Pradesh, India has launched One District One Product (ODOP), an initiative to encourage the state's domestic production of various handicrafts, and readymade clothes. Leather products etc. The very objective of the scheme is to encourage indigenous and specialized products district-wise. The ODOP scheme is a focused program for developing indigenous products and thereby strengthening the small, tiny, cottage, and handicraft units contributing to economic growth. The following are the features of this program.

- Preservation and development of local crafts/skills and promotion of the art.
- Increase in incomes and local employment (resulting in a decline in migration for employment).
- Improvement in product quality and skill development.
- Transforming the products in an artistic way (through packaging, branding).
- To connect the production with tourism (Live demo and sales outlet – gifts and souvenirs).
- To resolve the issues of economic difference and regional imbalance.
- To take the concept of ODOP to national and international levels after successful implementation at the State level

The following are the main objectives of this program;

- a) Preservation and development of local crafts/skills and promotion of arts
- b) To resolve issues of economic disparity and regional imbalance
- c) To take ODOP products to national and international markets
- d) Increase in incomes/local employment, thus minimizing migration for jobs
- e) Improvement in product quality and skill development
- f) Assistance in key areas - technology, skill development, infrastructure, and finance
- g) Resolve the issues of economic difference and regional imbalance
- h) Increase overall exports of the selected products
- i) To connect the production with tourism (Live demo and sales outlet – gifts and souvenirs)

Source: <https://www.library.up.gov.in/assets/front/img/InvestIndiaUPODOP.pdf>

Under the ODOP Scheme, Uttar Pradesh offers various facilities and subsidies under four different categories.

i) **Basic Infrastructure:** The government also develops basic infrastructure development for having easy access to skill development, marketing assistance to manufacturers, and other financial supports and subsidies to promote the small entrepreneurs in the particular district. There is a Common Facility Centre which extends various facilities required for the production process like testing Lab, design Development and Training Centre, Technical Research and Development center, Product exhibition cum Selling Centre, Raw Material Bank / Common Resource Centre, Common Production / Processing Centre, common Logistics Centre, Packaging, Labelling, and Barcoding facilities, etc.

ii) **Marketing Support:** The government also provides marketing development assistance to facilitate fair pricing for the products to the artisans, weavers, entrepreneurs, and exporters of ODOP products through different marketing platforms. The scheme also provides for onboarding of artisans across various e-commerce portals such as Amazon, and Flipkart. It also ensures the participation of workers, artisans, weavers, entrepreneurs, and production units in regional, national, and international exhibition events. The government also provides various Incentives to the artisans for participation in fairs within and outside the state and country. These incentives include 75 percent of stall charges, percent of transportation charges, and to and fro travel tickets under the scheme. The entrepreneurs are encouraged to onboard, sell, and market their produce on e-commerce portals, and the boarding cost is reimbursed.

iii) **Financial Assistance:** Under the ODOP scheme, the government has the following provisions for the financial subsidy known as Margin Money Subsidy.

**Table 1: Financial Subsidy Details under the ODOP scheme**

Project Cost (INR in Lakhs)	Margin Money Subsidy
Up to 25	25 percent of the Project Cost INR 6.25 lakhs, whichever is less
More than 25 to up to 50	20 percent of the Project Cost or INR 6.25 lakh, whichever is high
More than 50 to up to 150	10 percent of the Project Cost or INR 10 lakhs, whichever is high
More than 150	10 percent of the Project Cost or INR 20 lakhs, whichever is less

*Financial subsidy provisions are provided under the One District One Product (ODOP) scheme by the Government of Uttar Pradesh to promote indigenous products through capital assistance. Beneficiaries can avail of margin money support depending on the scale of their enterprise.*

It is clear from the features, objectives, and other facilities provided by the government to the beneficiaries of the ODOP scheme that there is a lot of importance and focus for the ODOP beneficiaries to promote the ODOP beneficiaries on a sustainable basis in the long run by providing them a comprehensive package. Further, the government has recently notified two products from one district in selected districts of the state to promote more products. Given this, the present study has identified the products and beneficiaries assisted under the ODOP scheme of the government in the following districts.

**Table -2: Distribution of Respondents by District, Product, and Gender**

S. no	District	Product	Number of cases investigated (of which)		
			Male	Female	Total
1	Gorakhpur	Handloom	1	3	4
2	Bhadoi	Carpet Industry	5	1	6
3	Varanasi	Silk fabric	3	2	5
4	Varanasi	Wooden toys	3	2	5
5	Azamgarh	Black Pottery	3	2	5
<b>Total</b>			<b>15</b>	<b>10</b>	<b>25</b>

### 3. ODOP – District profile

*Distribution of surveyed beneficiaries across selected districts of Uttar Pradesh, categorized by product specialization and gender of respondents. Data obtained from the respective District Development Agencies (DDAs).*

A brief description of the districts and products chosen for this study is explained in brief as follows.

**Bhadoi – Carpet Weaving**

Bhadohi District was carved out from Varanasi district on June 30, 1994, as the 65th district of Uttar Pradesh. The previous name of Bhadohi was Sant Ravidas Nagar. The district is widely known for its Carpet (Dari) work which is why the district is also known as 'Carpet City' as it is home to the largest hand-knotted carpet weaving industry hubs in South Asia. The Indian Institute of Carpet Technology, the only Institute of its kind in Asia is located here and was established by the Ministry of Textiles in 2001. Area-wise Bhadohi is the smallest district of Uttar Pradesh. An area of 175 hectares is covered under reserved, protected, private, and unclassified forests, which is about 1.70% of the total area of the district. Bhadohi district is world famous for the production and export of carpets with distinctive and outstanding designs. There are approximately 63,000 artisans in the district who are associated with this work. The total number of looms in the district is more than 1 lakh and over 500 export units are established here. Handmade carpets are very popular in luxury markets internationally. The Carpet weaving artisans engaged in weaving the carpets have carried this skill for generations. This study has covered a few of the carpet weavers from this hub for the present study.

### **Varanasi – Silk & Wooden Toys**

The Silk is known as the "Golden Fibre" of the "Queen of Textiles" and is admired all over the world for its sleek and luster. Its products are wonderfully light and soft but strong and smooth and universally accepted by the world's top fashion designers for their elegance, colors, dyeing affinity, thermo tolerance, and water absorbance. These activities offer opportunities for the growth of ancillary enterprises of machine manufacture and by-product utilization including spun silk yarn manufacture and pupae oil extraction, thus employing the skilled and unskilled labor force, and livelihood for the small artisans. In addition to high export opportunities, silk has having very good domestic market and a strong handloom base blended with artisan skill, which is the real strength of the Indian sericulture industry. Varanasi is also famous for its wooden lacquerware and wooden toys. Designs are created with the natural veins of the wood. These toys are made without any joints and are attractive and safe playthings for children. The craftsmen here claim to belong to the Kunder Kharadi Samaj. This craft plays a pivotal role in the lives of the artisans since when a child is born, a new lathe is added to the family possessions. It is an ancient craft, where the toys are made from wood. Sets of birds, animals, musicians, and dance ensembles are also available packed in boxes. The most famous toy they created is the Russian doll. These artisans have been making India proud in the international markets. We have interviewed a few entrepreneurs to understand the impact of government schemes on their business. This industry keeps getting government grants at regular intervals. The government also gives opportunities to sell these toys at different fairs, fests, and events by sponsoring the travel expenses of the artisans to set up their stalls in distant areas. He shared that they are overloaded with orders at present but are slow to deliver as they still use many redundant techniques in the production process. Both the above products viz. Silk and Toy making fall under the OPOP scheme of Uttar Pradesh state.

### **Gorakhpur - Handloom Sector**

The handloom sector is another handicraft activity where a larger number of artisans are engaged to earn their livelihood. This activity is very much preferred in the Gorakhpur district of Uttar Pradesh. All the benefits of social welfare and other employment promotion schemes of the central and state governments are available to the handloom artisans. The Department of Handlooms and Textiles is a coordinating agency between handicraft artisans and the government. The weavers are provided with social security and livelihood enhancement under different government schemes. Under the "Mill Gate Price Scheme" of the Government of India (GOI), yarn and dyes are supplied by the National Handloom Development Corporation (NHDC) to weavers through their network of 660 depots spread throughout the country. Mobile vans are also used to supply yarn to weavers in remote areas. In actual practice, cotton yarn is sold in the minimum quantity of two to three bales. Individual weavers are unable to access the smaller quantities that they need, thereby reinforcing their dependence on the trader and the master weavers. Apart from NHDC, Apex Handloom Weaver Society and Handloom Development Corporations in the respective States are mandated to supply yarn to handloom weaver societies and individual weavers respectively in each State.

### **Azamgarh District – Black Pottery**

The Azamgarh district of Uttar Pradesh is primarily agriculture but it is also enriched with one of the oldest handicraft industries known as Black Pottery. The potters in this activity are engaged in making and designing teapots, sugar bowls, and other decorative articles. The earthen wares and statues of Gods and Goddesses particularly of Ganesh, Laxmi, Shiva, Durga, and Saraswati are also made. These products are popular during fairs and festivals. This particular smooth black clay is plentifully available in the district. The black look is obtained by dipping the pot into the solution of clay and vegetables. After that for a better look, they use mercury, range, and lead. The fancy pottery made in Nizamabad is famous in the world. The Potters in Azamgarh district's Nizamabad assembly constituency are known all over the world for their splendid craftsmanship in designing shiny black pottery engraved with silver floral or geometric patterns. Black pottery from Nizamabad has been registered under the government's One District, One Product (ODOP) initiative and Geographical Indication tag scheme. Despite this, however, nearly 200 families of craftspeople settled in the Nizamabad market are struggling to survive and keep their art alive. This art of handicraft emerged during 1696-97 during the time of the Mughal emperor Aurangzeb.

#### 4. Respondents' Analysis

The following table 3 presents the analysis of individual beneficiaries interviewed to understand their experiences, observations, and feelings about the assistance and work performance of the activities for which they have been assisted under different government schemes.

**Table 3: Summary of Respondents' Activities, Support Received, and Perceived Impact**

Respondent	Nature of activities	Facilities & Supports Availed	Impact & Experience of the support provided for
1	Carpet Weaving	<ul style="list-style-type: none"> <li>• Loan under PMMY scheme</li> <li>• Financial Subsidy</li> <li>• Housing facilities</li> <li>• Public facilities</li> <li>• Other government supports like training, marketing in "Haats" etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Business expanding</li> <li>• Increase in Income</li> <li>• Satisfied with the support</li> <li>• Improved living conditions</li> <li>• Better social status</li> <li>• Have business expansion plans</li> </ul>
2	Carpet Weaving	<ul style="list-style-type: none"> <li>• Loan under ODOP scheme</li> <li>• Government support</li> <li>• Export encouragement for sustaining</li> <li>• Subsidy availed</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impact of the ODOP scheme</li> <li>• Achieve self-sustainability</li> <li>• International Business opportunities for exports</li> <li>• Success in business</li> <li>• A very positive impact overall on the community</li> </ul>
3	Carpet Weaving	<ul style="list-style-type: none"> <li>• Loan under ODOP scheme</li> <li>• Provision of looms</li> <li>• Subsidy on Electricity Support</li> <li>• Infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>• Improved family livelihood conditions</li> <li>• Family Legacy</li> <li>• Economic growth &amp; Community Well-being</li> <li>• Business expanding</li> </ul>
4	Carpet Weaving	<ul style="list-style-type: none"> <li>• Loan under ODOP scheme</li> <li>• Subsidy on electricity</li> <li>• Export connects</li> <li>• Toolkit Provision Scheme</li> <li>• Training Program</li> <li>• Market Access Support</li> </ul>	<ul style="list-style-type: none"> <li>• Resilience in business</li> <li>• Innovation</li> <li>• Symbiotic relationship between traditional and modern support system</li> <li>• Expanded infrastructure facilities have contributed to the growth of this sector.</li> <li>• Has trained 125 artisans in the region</li> </ul>
5	Carpet Weaving	<ul style="list-style-type: none"> <li>• PM MUDRA Yojana scheme</li> <li>• Bank loan from Allahabad bank</li> <li>• National Recognition</li> <li>• Access to new markets with government support.</li> <li>• Other government scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Challenges faced during pandemic</li> <li>• Improved infrastructure facilities under the government schemes have been very beneficial</li> <li>• Exhibition participation &amp; Networking (Ganga Mahotsav)</li> <li>• Increased financial growth</li> </ul>
6	Silk Weaving	<ul style="list-style-type: none"> <li>• Loan under MUDRA &amp; ODOP scheme</li> <li>• Government Training Program</li> <li>• Community support</li> <li>• Transport support</li> <li>• Direct linkage with buyers</li> </ul>	<ul style="list-style-type: none"> <li>• Legacy &amp; Inspiration</li> <li>• Challenges faced during lockdown</li> <li>• Resilience &amp; adaptability</li> <li>• Government initiatives</li> <li>• Financial assistance</li> <li>• Thrive in the market</li> </ul>
7	Silk Weaving	<ul style="list-style-type: none"> <li>• Loan under ODOP scheme</li> <li>• Raw material depot</li> </ul>	<ul style="list-style-type: none"> <li>• New Market Access</li> <li>• Promoting traditional craft</li> </ul>

		<ul style="list-style-type: none"> <li>• Rebate for Festivals</li> <li>• Government Training</li> <li>• Exhibitions opportunities</li> <li>• Incentives and rebates for electricity</li> </ul>	<ul style="list-style-type: none"> <li>• Financial assistance has been very helpful</li> <li>• Enhancement in skills</li> <li>• Government support in many ways has helped the business growth.</li> </ul>
8	Silk Weaving	<ul style="list-style-type: none"> <li>• Loan under MUDRA scheme</li> <li>• Interest subsidy</li> <li>• Govt. established materials Depo in the area</li> <li>• Government Training &amp; support</li> <li>• Exhibition opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Heritage &amp; Tradition</li> <li>• Infrastructure challenges</li> <li>• Growth in business</li> <li>• Sustainability</li> <li>• Increasing sales</li> <li>• New Markets and expanded business opportunities</li> <li>• Started exporting.</li> </ul>
9	Wooden Toy Artisans	<ul style="list-style-type: none"> <li>• National Recognition</li> <li>• Technical support</li> <li>• Training Program – NEPS &amp; Samarth Yojna</li> <li>• Other government support</li> </ul>	<ul style="list-style-type: none"> <li>• Increased Economic growth</li> <li>• Heritage &amp; learning</li> <li>• Tradition, innovation, community engagement</li> <li>• Overcome challenges</li> <li>• Achieving success</li> </ul>
10	Wooden Toy Artisans	<ul style="list-style-type: none"> <li>• Loan under ODOP &amp; MUDRA scheme</li> <li>• Woman employment</li> <li>• Government subsidies</li> <li>• Recognition &amp; Museum placement</li> <li>• Training Program</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Assistance</li> <li>• Recognition &amp; Legacy</li> <li>• Positive impact of government support</li> <li>• Market Access</li> <li>• Success &amp; sustainability in the artisanal trade sector</li> </ul>
11	Wooden Toy Artisans	<ul style="list-style-type: none"> <li>• National Recognition</li> <li>• Technical support</li> <li>• Loan under MUDRA</li> <li>• Electric subsidy</li> <li>• ODOP &amp; virtual toy fair</li> </ul>	<ul style="list-style-type: none"> <li>• Family Tradition</li> <li>• Addressed the challenges</li> <li>• Financial assistance</li> <li>• Market access initiatives</li> <li>• Growth &amp; Sustainability</li> <li>• Women empowerment</li> </ul>
12	Handloom Sector	<ul style="list-style-type: none"> <li>• Support from organizations – UPICA &amp; UP</li> <li>• State exhibitions</li> <li>• Market exposure &amp; sales opportunities</li> <li>• Training &amp; Development agency office</li> </ul>	<ul style="list-style-type: none"> <li>• Resilience &amp; Adaptability</li> <li>• Better co-ordinations</li> <li>• Navigating challenges &amp; accessing support resources</li> <li>• Improving skill</li> <li>• </li> </ul>
13	Black Pottery products	<ul style="list-style-type: none"> <li>• Loan under ODOP &amp; MUDRA scheme</li> <li>• Government subsidies</li> <li>• Marketing through Exhibitions</li> <li>• Skilled Training</li> <li>• Electricity subsidy</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Assistance</li> <li>• Better quality of products</li> <li>• Positive impact of government support</li> <li>• Wider Market Access</li> <li>• Sustainability of the work</li> </ul>
14	Black Pottery products	<ul style="list-style-type: none"> <li>• Products have National Recognition</li> <li>• Skill development training</li> <li>• Financial assistance under the MUDRA scheme</li> <li>• Margin money availed</li> </ul>	<ul style="list-style-type: none"> <li>• The business has been revamped</li> <li>• Feeling better growth</li> <li>• Financial assistance helped a lot</li> <li>• Expanded market reach resulted in increased sale</li> <li>• Feel empowered and self-sufficient</li> </ul>

15	Black Pottery Products	<ul style="list-style-type: none"> <li>Financial support from the bank under the MUDRA scheme.</li> <li>Participation in organized markets</li> <li>Improved product quality due to skill development</li> <li>Better liaison with development agencies</li> </ul>	<ul style="list-style-type: none"> <li>Resilience &amp; Adaptability</li> <li>Increased sales</li> <li>Feeling the change in the lifestyle.</li> <li>Improving skills and products</li> <li>Home provided under the scheme that makes the family happy</li> </ul>
16	Handloom Sector (Women Ent.)	<ul style="list-style-type: none"> <li>Government scheme support (Sant Kabir handloom worker scheme)</li> <li>Financial Facilities</li> <li>Client collaboration</li> <li>Guidance &amp; Direction</li> </ul>	<ul style="list-style-type: none"> <li>Family support</li> <li>Recognition &amp; financial support</li> <li>Blend of traditional craftsmanship</li> <li>Government recognition</li> <li>Contributing to his success in the handloom industry</li> </ul>
17	Silk Weaving (Women Ent.)	<ul style="list-style-type: none"> <li>Loan under ODOP scheme</li> <li>Availability of raw materials from govt. depot</li> <li>Festival sales</li> <li>Imparted skill development training</li> <li>Opportunities to sell in Exhibitions</li> <li>Incentives and rebates for electricity</li> </ul>	<ul style="list-style-type: none"> <li>New Market Access</li> <li>Engaged in traditional craft</li> <li>Financial assistance has helped business growth</li> <li>Training enhanced weaving skills</li> <li>Feel socially empowered</li> </ul>
18	Carpet Weaving (women Ent.)	<ul style="list-style-type: none"> <li>Loan under ODOP scheme</li> <li>Subsidy on electricity</li> <li>Home facility</li> <li>Provided the toolkit under the scheme</li> <li>Received Training</li> <li>Marketing Support</li> </ul>	<ul style="list-style-type: none"> <li>Restarted the business which was closed due to a lack of financial support</li> <li>The business is growing slowly</li> <li>Feeling socially empowered</li> <li>The support facilities by the government are quite helpful</li> <li>Feeling better living conditions</li> </ul>
19	Wooden toys products (Women Ent.)	<ul style="list-style-type: none"> <li>Assistance under the ODOP scheme</li> <li>Received Training</li> <li>Received home</li> <li>Interest subsidy received</li> <li>Electricity bill waiver</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of business</li> <li>Skill development through training</li> <li>Product innovation and improvement</li> <li>Feel socially empowered</li> <li>Better living style</li> <li>Overcoming difficulties and reaching success</li> </ul>
20	Silk Weaving (women Ent.)	<ul style="list-style-type: none"> <li>Loan under MUDRA scheme</li> <li>Interest subsidy</li> <li>Availability of raw materials through government depot.</li> <li>Received Training &amp; other inputs</li> <li>Products can be sold through Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Started weaving new products</li> <li>Successfully met the business challenges</li> <li>Increased sales revenue</li> <li>Business is growing</li> <li>New Market opportunities available</li> <li>Being a woman. I find it self-sustaining.</li> </ul>
21	Handloom Sector (Women Ent.)	<ul style="list-style-type: none"> <li>Received assistance and other packages under the Government scheme; (Sant Kabir handloom worker scheme)</li> <li>Loan under PMMY</li> </ul>	<ul style="list-style-type: none"> <li>Supporting my family</li> <li>Children Education</li> <li>Feel financially empowered</li> <li>Social empowerment</li> </ul>

		<ul style="list-style-type: none"> <li>• Financial subsidy</li> <li>• Marketing support</li> <li>• Benefits under social welfare schemes</li> <li>• Skill development training</li> </ul>	<ul style="list-style-type: none"> <li>• Learning new craftsmanship</li> <li>• Feeling a changed environment and surroundings</li> </ul>
22	Handloom Sector (Women Ent.)	<ul style="list-style-type: none"> <li>• Government scheme support (Sant Kabir handloom worker scheme)</li> <li>• Financial Facilities</li> <li>• Client collaboration</li> <li>• Guidance &amp; Direction</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Recognition &amp; financial support</li> <li>• Blend of traditional craftsmanship</li> <li>• Government recognition</li> <li>• Contributing to his success in the handloom industry</li> </ul>
23	Wooden toy products (Women Ent.)	<ul style="list-style-type: none"> <li>• Talent Recognition at the national level</li> <li>• Technical and financial support</li> <li>• Training under NEPS &amp; Samarth Yojana of Govt.</li> <li>• Other government support for the family</li> </ul>	<ul style="list-style-type: none"> <li>• Increased Income</li> <li>• Change in quality of life</li> <li>• New skills upgradation</li> <li>• Engagement in marketing support</li> <li>• Achieving success</li> <li>• Women empowerment</li> </ul>
24	Black Pottery Products (Women Ent.)	<ul style="list-style-type: none"> <li>• Financial assistance under the Government scheme.</li> <li>• Loan under the PMMY scheme</li> <li>• Electricity bill subsidies availed</li> <li>• Skill development training received.</li> </ul>	<ul style="list-style-type: none"> <li>• Feel financially better off</li> <li>• Feel socially empowered</li> <li>• Women entrepreneurs started earning on their own.</li> <li>• Able to send children to school</li> <li>• Change in lifestyle</li> </ul>
24	Black Pottery Products (Women Ent.)	<ul style="list-style-type: none"> <li>• All facilities and supports under the ODOP scheme are availed.</li> <li>• Loan under PMMY</li> <li>• Electricity bill subsidies availed</li> <li>• Products are sold in organized “Haats” and Exhibitions.</li> </ul>	<ul style="list-style-type: none"> <li>• Social Recognition &amp; financial support</li> <li>• Feel socially empowered</li> <li>• Women entrepreneurs started earning on their own</li> <li>• Children go to school</li> <li>• Change in lifestyle</li> </ul>

*Summary of responses from 25 beneficiaries involved in various handicraft sectors across five districts of Uttar Pradesh under the ODOP scheme. The table represents aggregated feedback on support received and qualitative improvements experienced by artisans, including gender-specific experiences*

## 5. DISCUSSION

This section presents the key findings from the field survey of 25 handicraft artisans and micro-entrepreneurs across five districts in Uttar Pradesh. It also discusses these findings in light of the broader literature on handicraft sector development, cluster initiatives, and gender empowerment.

a) The ODOP scheme launched by the state government has distinct features that provide comprehensive packages, other supports and incentives, and skill development training so that the small artisans involved in different types of handicraft activities develop and expand these activities to contribute to economic growth and their growth. These facilities have been quite helpful in taking up handicraft activities in a systematic way and on a sustainable basis. During the personal interactions with the beneficiaries during the survey, it is observed that by and large, the beneficiaries are satisfied with the help, support, and assistance extended to them. They have availed of various facilities to explore all the benefits.

b) The creation of infrastructure like raw materials supply depots, connecting roads, and housing facilities under government schemes has further supported the larger community of artisans in different districts. The small artisans used to face a lot of difficulties in obtaining good-quality raw materials at a fair price. They feel that this facility, extended by the government, has been very helpful to them. This has reduced the cost and also facilitated them to complete the work orders in time since raw materials are now available as and when required through the government depot.

c) Under the ODOP scheme, the government has also made arrangements for the marketing of handicraft products for selling them in different "Haats", Exhibitions, and other organized markets. The government is incentivized in terms of meeting their travel cost, free participation in the events, and providing discounts to encourage the artisans to participate in these market forums to display and sell their products. During the interviews, the artisans were very enthusiastic to participate in these forums that helped promote their products.

d) The majority of the artisans interviewed have availed of the loan facility under the PMMY or other government-sponsored schemes. They seem to be satisfied with the loan facility they have availed. Many of them have been receiving the interest subsidy, i.e., the cost of the loan has reduced their burden. Besides, the government also provides margin money subsidy that helps in two ways: the loan liability is reduced, and they need not meet the margin money requirements of the banks.

e) Nearly 40 percent of the beneficiaries have been provided with a home facility by the government, and they have also been using other public utilities. Many of them have been receiving a free supply of electricity for their businesses and homes.

f) More significantly, 40 percent of the respondents were women beneficiaries who received financial and other support under the ODOP scheme. The women entrepreneurs feel more than satisfied for many reasons. First, they feel pride for being a helping hand in the family business. Some of them started their activity and started earning to become self-sufficient. They feel to be on the forefront and their social status has started changing for a better quality of life. They feel more empowered in terms of social and economic status. There is a change in lifestyle after they start earning from the handicraft activity.

g) An overall assessment of the survey reveals that the handicraft artisans have been reaping the benefits of the ODOP scheme positively. The different kinds of assistance and support have helped the artisans under different categories to strengthen their businesses. As illustrated in Table 2, the majority of respondents were engaged in carpet weaving and silk fabric production. Table 3 further provides a detailed analysis of the types of government support availed and the perceived impacts, highlighting improved socio-economic status and entrepreneurial empowerment."

h) This is also observed that in some of the cases, the artisans have lost their interest in the traditional handicrafts on account of financial constraints, non-availability of other inputs, and lack of demand. Many of them have resumed their traditional activities, given various incentives and support from the government. Even there were instances where new entrepreneurs have been attracted to handicraft activities.

## 6. CONCLUSION

This study contributes to the theoretical discourse on localized economic development, particularly within the frameworks of cluster theory and inclusive development. It reinforces Michael Porter's (1990) concept of clusters by demonstrating how geographically concentrated artisanal communities, when supported with targeted policy interventions, can enhance productivity, innovation, and competitiveness. The research also aligns with literature emphasizing the role of government in facilitating cluster development through infrastructure, financial incentives, and market access (Basu et al., 2009; Venkataramaiah & Parashar, 2007).

Furthermore, the study adds to the gender and development literature by empirically illustrating how participation in government-led economic initiatives can serve as a catalyst for women's social and economic empowerment. It supports existing feminist economic theories which argue that access to financial resources and entrepreneurship opportunities is a foundational pathway to gender equity. By examining empowerment in the context of traditional craft sectors, the research bridges gender studies and rural livelihoods literature.

Finally, the study contributes to emerging theories on sustainability and cultural preservation in economic planning. By highlighting the revitalization of traditional crafts through modern policy mechanisms, it opens up new discussions around integrating heritage economics into mainstream rural development frameworks.

Practically, the findings offer actionable insights for policymakers, development practitioners, and implementing agencies. The evidence suggests that well-designed, decentralized schemes such as ODOP can substantially enhance artisan livelihoods, promote rural entrepreneurship, and preserve intangible cultural heritage when implemented effectively. The success stories from beneficiaries validate the importance of integrated support systems—financial, infrastructural, training, and marketing—in ensuring the sustainability of small and micro enterprises in traditional sectors.

For government agencies, the study underscores the necessity of simplifying administrative procedures, improving outreach, and incorporating feedback mechanisms into policy implementation. The findings also reveal the critical need for gender-sensitive program designs that actively engage and support women entrepreneurs at multiple levels, including training, financing, and market access. Development organizations and NGOs working in the artisan or MSME sectors can use the insights to better design community-level interventions, enhance the uptake of government schemes, and provide technical assistance tailored to the evolving needs of traditional artisans. Additionally, private sector actors, including e-commerce platforms and design firms, can leverage this framework to build partnerships with local artisans, ensuring ethical sourcing, cultural promotion, and sustainable business practices. The study's

methodological approach—combining qualitative insights with a structured case study design, provides a model for conducting beneficiary-level evaluations of public programs, which can be replicated or adapted in other regions and sectors.

When one thinks of the growth of the handicraft sector, the innovative concept of the Uttar Pradesh government cannot be overemphasized. The concept of ODOP is purely based on the distinct identity of handicrafts, agro, processed, and many other specialized products, covering all the districts of the State. The findings of this case study are in tune with Tripathi & Agarwal (2021), which support that the ODOP strategy, as a well-thought-out idea, is very relevant to ensure inclusive economic growth of a larger community of the handicraft sector. The benefits and support under the scheme have boosted the morale and faith among the handicraft artisans and encouraged them to take up the handicraft activities with more vigor and active participation of the local community, i.e., artisans and craftsmen. This will provide sustainable development in the long run, adding to regional economic growth. Various measures taken up by the government for the benefit and welfare of the artisans through institutional mechanisms will yield positive results and go a long way in revitalizing the social and economic conditions of handicraft artisans. The fading local skills have been revived, and a set of new generation has been attracted to ancient crafts. Moreover, the women entrepreneurs feel more empowered and involved in handicraft activities.

**Ethics Approval:** This study was conducted in compliance with all relevant ethical guidelines and regulations for research involving human subjects.

**Acknowledgement:** The authors gratefully acknowledge the support provided by the District Development Agencies (DDAs) of Bhadohi, Varanasi, Gorakhpur, and Azamgarh for facilitating access to data and respondents. We also thank all the artisans who participated in the study for sharing their valuable time and insights.

**Conflict of Interest:** There is no conflict of interest among the authors. All the authors have contributed significantly.

#### Authors' Contribution

**Rashmi Meena:** Conceptualization; Data Collection; Formal Analysis; Writing – Original Draft Preparation

**Vikas Tripathi:** Conceptualization; Methodology Design; Supervision; Writing – Review and Editing; Validation

**Kushagra Kulshreshtha:** Methodology Support; Writing – Review and Editing; Validation

#### Data Availability:

The data is available on request.

**Table of Abbreviations**

Abbreviation	Full Form
ODOP	One District One Product
PMMY	Pradhan Mantri Mudra Yojana
NHDC	National Handloom Development Corporation
GI	Geographical Indication
UPICA	Uttar Pradesh Industrial Consultants Agency
MSME	Micro, Small, and Medium Enterprises
CFC	Common Facility Centre
NEPS	National Entrepreneurship Promotion Scheme
NHDP	National Handloom Development Programme

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