

“Beyond Products: A glimpse of women’s participation in the ODOP scheme in Uttar Pradesh”

Nikita Sharma, Poorvi Chaudhary & Vivek Kumar

March 2024

Abstract:

One District One Product (ODOP), a State scheme of Uttar Pradesh, focuses on promoting local products by providing support on training, credit linkage, marketing, and export. ODOP has been hailed by the Central Government as an exemplary initiative, and notified nationwide. The scheme has the potential to bring a large number of women into the formal workforce and significantly boost women-led enterprises in the state. This article traces women’s participation and contribution throughout the value chain of an ODOP product, highlighting areas where the scheme can be strengthened to support women to improve their economic status.

Context

In the heart of Uttar Pradesh, the One District One Product (ODOP) scheme has emerged as a beacon of hope for localised economic development. Launched in 2018¹, this flagship program of the Government of Uttar Pradesh (GoUP) aims to identify and promote unique products from each district, fostering economic growth through a strength-based approach. It adopts a holistic strategy, emphasising the integration of value chains for chosen products. This involves optimising production processes, enhancing product quality, and streamlining distribution networks. By doing so, ODOP seeks to maximise economic output and competitiveness. The 4 main components of this scheme are²:

- 01 Skill Development Scheme (Training and Toolkit Distribution):** Up-skilling people in the manufacturing related aspects of the ODOP product
- 02 Finance Assistance Scheme (Margin Money Scheme):** Providing credit facility to enterprises engaged in the ODOP product, with a provision for back-end subsidy of margin money
- 03 Common Facility Centre (CFC) Scheme:** Providing services of an incubation centre for small-scale units engaged in ODOP products

¹<https://invest.up.gov.in/wp-content/uploads/2023/02/One-District-%E2%80%93-One-Product-Scheme-2018.pdf>

² [https://odopup.in/en/page/frequently-asked-questions-\(faqs\)](https://odopup.in/en/page/frequently-asked-questions-(faqs))

04 Marketing Development Assistance (MDA) Scheme: Providing financial assistance to participants of national and international fairs/exhibitions for display and sale of their ODOP products

In some districts, the initiative goes beyond a single product, recognizing the potential for economic diversity. For example, Agra includes marble inlay products alongside traditional leather items under the ODOP umbrella. This diversification aims to cater to a broader spectrum of skills and products, further enriching the economic landscape.

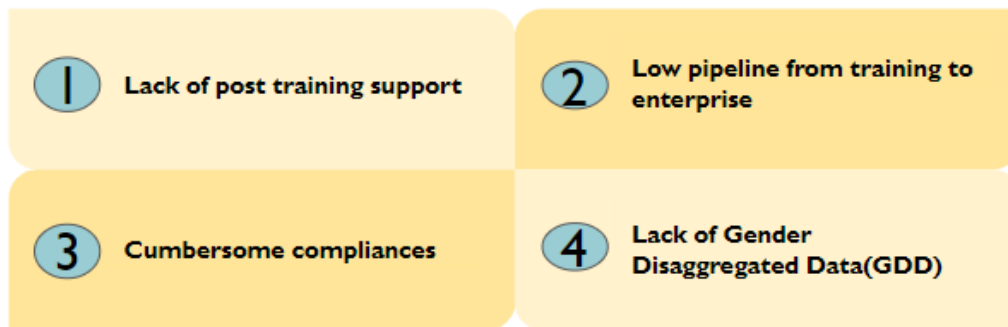
According to the Chief Minister, Uttar Pradesh, ODOP initiative has led to an astounding 250-fold increase in exports over the last five years. This is further substantiated by the data from the Directorate General of Commercial Intelligence and Statistics which reveals that UP's exports have grown from \$16.24 billion during 2018-19 to \$21.68 billion during 2022-23³ notably, after the launch of this scheme. The remarkable growth validates the success of ODOP showcasing the tangible impact of targeted economic initiatives which eventually led to extension of the scheme to the rest of India by the Central government. However, as we delve into the depths of this initiative in context of UP, a disconcerting reality surfaces — women, while representing a notable portion of the ODOP training beneficiaries, continue to remain at the bottom of the value chain, often within the unorganised sector.

Challenges faced by women entrepreneurs in leveraging ODOP to advance their economic empowerment

ODOP Scheme has well defined components but an area that needs work is improving the percentage of women benefiting from the power of the platform. As observed during the field visits conducted by The Udaiti Foundation in UP, women constitute a commendable number of ODOP training and toolkit beneficiaries. However, their representation plummets in the Margin Money component which surfaces the systemic challenges that hinder women from fully capitalising on the opportunities presented by ODOP. The women who are trained in artisanal crafts/trades continue to stay involved in occasional/irregular work to generate livelihood, but the training does not essentially translate into a work opportunity in the organised sector for the said product, or starting out a sustainable enterprise.

In lieu of this existing reality women remain a part of the unorganised section of the value chain of these products. They are mostly employed as daily wage/contractual workers. The following systematic gaps further amplify these aforementioned issues:-

³<https://www.financialexpress.com/business/sme-uttar-pradeshs-exports-up-250-times-under-one-district-one-product-scheme-in-five-years-cm-yogi-adityanath-3270474/>



1. **Lack of post training support:** Lack of tracking mechanisms for post-training activities hinders the assessment of training impact and identification of further support areas. Under the Training & Toolkit component, once the 10-days skill development training is completed and the toolkit is handed over, there are no follow-ups or marketing linkages. Lack of institutional support for market linkages becomes a crucial aspect especially in a State like UP where, out of the total Female Labour Force Participation Rate, 39.5% women are engaged as own-account workers.⁴
2. **Low pipeline from training to enterprise:** Though women are able to acquire trade/craft skills under the training component, they often struggle to transition into entrepreneurial ventures due to a deficiency in financial knowledge and expertise.⁵ The training program does not have an elaborate Entrepreneurship Development Programme that can inculcate entrepreneurial mindsets in women.
3. **Cumbersome compliances:** The application process for availing Margin Money requires substantial technical knowledge, including the ability to file digital applications, creating a Detailed Project Proposal (DPR) for banking institutions, handling GST documentation and submission of ITR documents etc. Limited access to guiding resources further restricts women to avail credit.
4. **Lack of Gender Disaggregated Data(GDD):** Absence of GDD further complicates understanding and addressing the reasons for rejection, reflecting the need for a more targeted approach. Inefficient targeting of beneficiaries results in applications from women who lack the intent to convert training into entrepreneurial activities, emphasising the necessity for a more nuanced and effective identification process. Addressing these multifaceted challenges is essential to ensure the equitable participation of women in the ODOP scheme.

⁴ Periodic Labour Force Survey, 2022-23, Ministry of Statistics and Programme Implementation: https://www.mospi.gov.in/sites/default/files/publication_reports/AR_PLFS_2022_23N.pdf?download=1

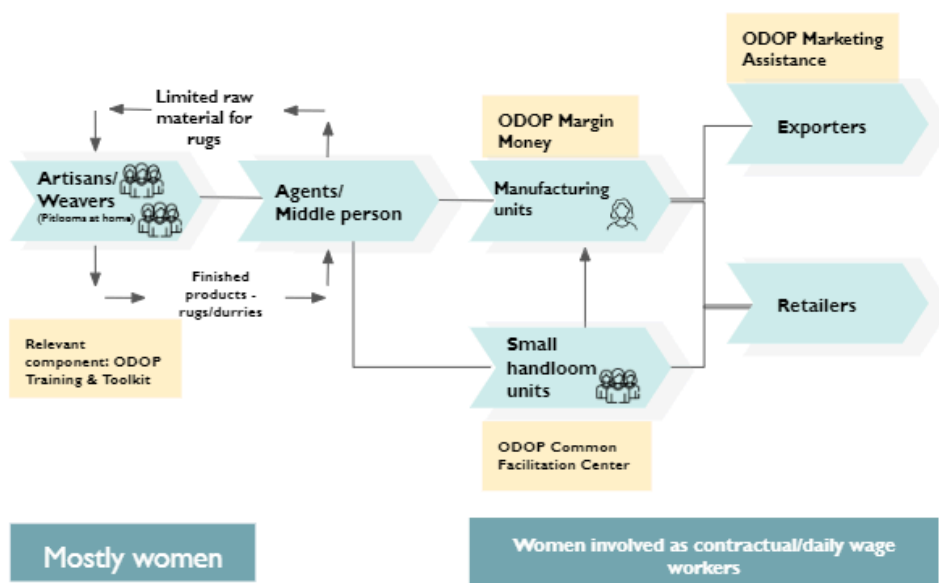
⁵ as per stakeholder consultations

Example of Manufacturing Units of Sitapur's ODOP (i.e. Rugs and Carpets)

A visit to manufacturing units in the Sitapur District sheds light on the ground realities. Despite ODOP training efforts, participants in the handloom unit in Godajhar village, Sitapur, return to their traditional pit loom set up at homes post-training. These traditional setups, often operating from mud houses, reveal a system where men predominantly handle deals with middlemen, leaving women to perform the weaving work. The status quo of women being limited to drudgery in small manufacturing units, it seems, remains unaltered despite the government's efforts to formalise and uplift women in the value chain. The situation is similar concerning women's participation in Sitapur's CFC. Even when women apply for benefits under their names, the operational aspects of the units are predominantly led by their male counterparts. Currently, none of the members of the CFC are women-led units or enterprises, and their involvement is confined to artisanal or manual work.

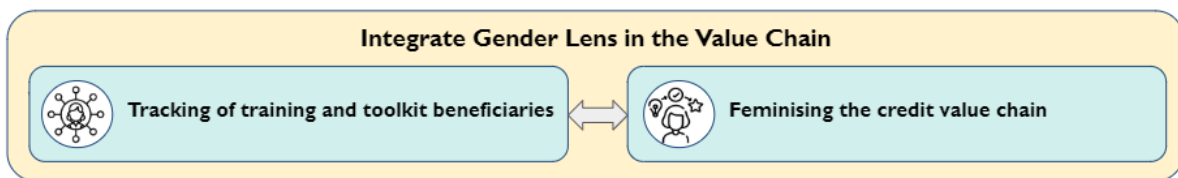
This on-the-ground reality aligns with the challenges identified in the ODOP scheme. The low conversion of training to self-employment is mirrored in the observation that participants revert to their traditional pit looms after completion of the training. The insufficient market support resonates with the traditional units' dependence on middlemen, emphasising the need for better market linkages for women artisans who have received training under ODOP.

Moreover, the observation underlines the gender dynamics at play, where men predominantly engage in deal-making, relegating women to loom work. This echoes the broader issue of women being underrepresented in the ODOP Margin Money component and points to the systemic challenges that hinder their active participation in formal business enterprises. The representation of women at various levels of the value chain of rugs/durries in Sitapur can be understood through the given flow chart.



Solutions and Policy Recommendations

To address the above stated challenges encountered by women entrepreneurs in leveraging opportunities provided under the ODOP scheme, there is a need to bring in gender lens at each step of the value chain.



1. **Tracking of training and toolkit beneficiaries:** To begin with, a pivotal component of this strategy can involve the establishment of a robust monitoring mechanism. At present the women applicants are trained under the ODOP training scheme, but their post training ventures/activities are not being tracked. There is no data available on how many women avail credit to establish their business units, how many are self employed or are working as employees in some other units. Lack of such data devoid the successful women participants of opportunities to serve as role models and mentors for future batches of trainees. With a monitoring mechanism in place, it would not only be easier to identify success stories, but it would also be easier to assess the impact of the scheme from the lens of women's economic empowerment and take proactive measures to address the gaps prima facie.
2. **Leveraging existing credit guarantees:** To enhance women's involvement in the Margin Money component, the advantages of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), a credit guarantee coverage scheme, can be extended. boosting their risk appetite for women led enterprises. Being a flagship scheme, the State government can also consider additional guarantee coverage for women led enterprises under ODOP Margin Money.
3. **Feminising the credit value chain:** Simultaneously, addressing gender biases in lending practices can be another intervention to bring more women into the formal entrepreneurial ecosystem. Pilot programs can also be initiated to provide handholding support to women applicants who are capable/have potential but lack digital and financial know-how to file the applications to avail credit. Collateral free lending can also be promoted by the lending institutions to make availing credit easier for women who don't have credit histories or collaterals under their names. These programs can help bring the women closer to their dream of having their own ventures which can eventually serve as a catalyst for women's economic empowerment.

It is vital to recognize that empowering women extends beyond mere checkboxes; it entails creating a sustainable ecosystem where women actively contribute to and benefit from economic development. The ODOP scheme, with its noble intent, holds the promise of ushering in a new era where women cease to be at the bottom of the value chain and emerge as dynamic contributors to the economic fabric of Uttar Pradesh.

While the ODOP initiative by the Government of Uttar Pradesh is a commendable effort for economic development, there is still an untapped potential to increase the impact of the scheme through bringing in more women-led enterprises into the formal/organised economy. Going forward, implementing robust monitoring, collateral-free lending, and formalising women-led enterprises becomes pivotal for increasing women participation. The suggested interventions hold a promise of transformation to empower women and reshape Uttar Pradesh's economic landscape into one that is both inclusive and prosperous.