
How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

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ABSTRACT: The study explores how India's artisan sector is influenced by the formalisation of informal artisans through the One District One Product programme (ODOP) initiative. As previously researched, artisan sectors operate in informal economies and lack the following economic security: low to no wages, unstable or non-existing employment opportunities, limited access to financing, social safety nets, and other forms of social security. By utilising qualitative methodology and secondary sources like government reports, policies, literature, and case study research, this study examined the extent to which formalising the informal artisan economy via methods, such as enterprise registration; skill development; credit access; digital inclusion; and market inclusion have impacted labour outcomes. The study concludes ODOP has facilitated much-needed access to new markets resulting in higher productivity and increased engagement by artisans in the formal economy, resulting in increased earning potential; reduced wage instability; and new skill premium opportunities for artisans working within ODOP. Additionally, within the artisan production sectors, the study found significant increased opportunities for local employment, which ultimately may decrease migration pressures from rural to urban areas. Nevertheless, the study also identifies uneven implementation of ODOP; informal subcontracting; gender disparities; and lack of access to social security protections as continuing to pose challenges to the overall effectiveness of ODOP as a programme. Ultimately, this study identifies ODOP as a key mechanism for fostering inclusive economic development, as well as improving the lives of artisans.

CHAPTER 1: INTRODUCTION

India's rural economy and culture rely heavily on artisan economies, which create jobs by producing items like handicrafts and textiles using methods like hand-weaving and metalwork. Artisan economies also produce large amounts of exports, local job creation, and provide considerable levels of income for artisans around the world. Nevertheless, the majority of artisans work in the informal sector — that is, artisans create products at a small scale from home as family members, have limited access to markets, and rely on middleman or intermediaries for the distribution of products. Even though artisan crafts are very popular, most people will not purchase these products due to limited access to retail outlets; limited income due to having a part-time job or job security; lack of health-care; and fluctuating incomes as a result of seasonality. This has resulted in many artisans moving from rural areas to large cities in search of better paying job opportunities, which in turn increases the likelihood that artisan skills and local production systems will disappear.

To sustain local industries and improve employment opportunities, the Government of India has implemented the One District One Product (ODOP) programme to assist traditional crafts in finding financial support for creating additional jobs and assisting artisans in cash flow, branding, skill development, and providing access to markets. Initiated by Japan's One Village One Product model, ODOP identifies one or two exemplar products from each district throughout India and will support those exemplary products through the provision of financial assistance, infrastructure, skills development, and access to markets to make them into successful and sustainable businesses. This programme not only promotes traditional crafts but also improves job creation and provides better access to stock from local small businesses to international markets by encouraging local small businesses to convert their businesses from informal sector (unregistered) to formal (registered) by providing them access to institutional finance; providing an online electronic marketplace; and providing an appropriate quality certification.



Source: [PIB](#)

A key goal of the ODOP initiative has been to enhance financial inclusion and entrepreneurship opportunities of small artisans and producers. Government records reveal that thousands of micro-enterprises have been provided with credit support and seed capital through ODOP related programs. For instance, during the implementation of the PMFME program, 7185 SHG members received ₹18.39 crores in seed capital assistance, and many entrepreneurs have accessed credit linked to new businesses and for the upgrading of existing businesses. Additionally, various training programs have taken place that teach participants about entrepreneurship based on product-specific skills, digital literacy, business registration, quality standards, and marketing skills. The goal of these types of efforts is to increase productivity, create additional income generating opportunities, and increase participation in the official economy.

Even though ODOP has received a large amount of attention from policy makers; there has been very little academic research investigating how the formalization of artisan based economies has changed wage rates or whether or not it has affected decisions about labor migration. The expectation is that artisans will earn more and have more job prospects if they are formalized; however, there is not enough research to know how this expectation will be met.

1.1 Research Questions

- How has ODOP aided in creating a more formalized economy for artisans?
- What has been the impact of formalization on artisan wage rates?
- Has ODOP reduced labor migration from artisan production areas?
- What challenges still exist to maintain these outcomes?

CHAPTER 2: LITERATURE REVIEW

2.1 Understanding Informal Artisan Economies

Informal artisan economies play a major role in both the labour market of India and the rural economy. Many traditional artisan jobs, such as handloom weaver, potters, metal workers, embroiderers, woodworkers, etc., create a lot of jobs and preserve cultural traditions. However, these occupations are usually found in the informal economy, where production is done on a small scale, there is little regulation, and artisans have limited access to government institutions that could help them. According to Basole (2014), informal employment is still the most common type of employment in India, making up a large part of India's total workforce; therefore, many families in India depend on informal employment for their main source of income.

A defining feature of artisan economies is that many of the producers in an artisan economy work from home. Manufacturers can use their family members as part of a collective group what works to produce goods. While home-based production allows manufacturers' operating costs be much lower than manufacturing in established factories and gives manufacturers greater flexibility, manufacturers will often have limited access to fully established and regulated markets as well as to formal institutional support. According to Mezzadri (2016), these home-based production systems are often integrated into informal subcontracting and respondents indicated they were making goods for brokers who controlled the market and pricing procedures related to those goods.

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

One of the characteristics of informal artisan production is piece-rate employment. Workers receive wages based on their production amounts rather than receiving a regular salary. These types of systems can encourage productivity; however, the instability of income is a consequence of the uncertainty surrounding production volume and the amount of saleable goods available as a result of market demands. In fact, according to Mezzadri (2016), piece-rate employment shifts production risk to workers, therefore creating a situation in which wage insecurity is chronic.

In addition, family labour is an essential component of artisan production. Many household members contribute at various phases of production without receiving any formal compensation, particularly women and children. According to Shonchoy & Junankar (2014), while family labour contributes to the success of household enterprises, it can mask the contributions of labour and, therefore, limit the recognition of the economic value of workers' contributions.

Characteristics of Informal Artisan Labour Markets

Informal artisan employment markets are characterized by a lack of written contracts, unpredictable wages, reliance on intermediaries, and limited bargaining power. The vast majority of employment relationships are based upon oral contracts, which provide no legal protection or job security to workers. As a result, wages vary by seasonality and remain subject to market fluctuations, which leads to unstable wages. As well, artisans generally depend heavily upon intermediaries to source raw materials, obtain credit, and secure a market, thereby limiting their ability to negotiate prices.

2.2 Concept of Formalization

The term "formalization" describes the process by which informal economic activity becomes embedded in organized and regulated economic activities. The International Labour Organisation defines formalization as "a process of transition that allows businesses and workers to take advantage of legal protections, social security, access to institutional finance and opportunities in the formal market". In terms of artisan economies, formalization commonly involves registration of the enterprise, access to credit, the use of digital payment systems, certification of skills, and connection into larger value chains.

Registration of an enterprise is vital in formalizing an artisan enterprise as it will provide them with legal recognition and eligibility to take advantage of government support programs. By adopting digital transactions, artisans can achieve greater financial transparency and have greater access to e-commerce platforms. By undertaking skill certification programs artisans benefit from employment opportunities and increased productivity through recognition of their current competencies and encouragement for skill development. Finally, by becoming integrated into the market artisans will have improved connection with local and foreign consumers and decrease their exposure to depending on third party intermediaries.

Formalization is important in different ways, and is also explained in different ways by theoretical perspectives. Labour Market Segmentation Theory shows that there are differing employment conditions in formal (legal) and informal (unregulated) employment. It suggests that formal jobs provide higher pay, job security and social protection than informal jobs do. Structural Transformation Theory indicates that economic development happens when labour is transferred from old (low productivity) traditional activities to new (higher productivity) activities. Similarly, in Lewis' Dual Sector Model of 1954, the transfer of labour from traditional rural economies into modern (higher productivity) economies is seen as a primary factor for economic growth.

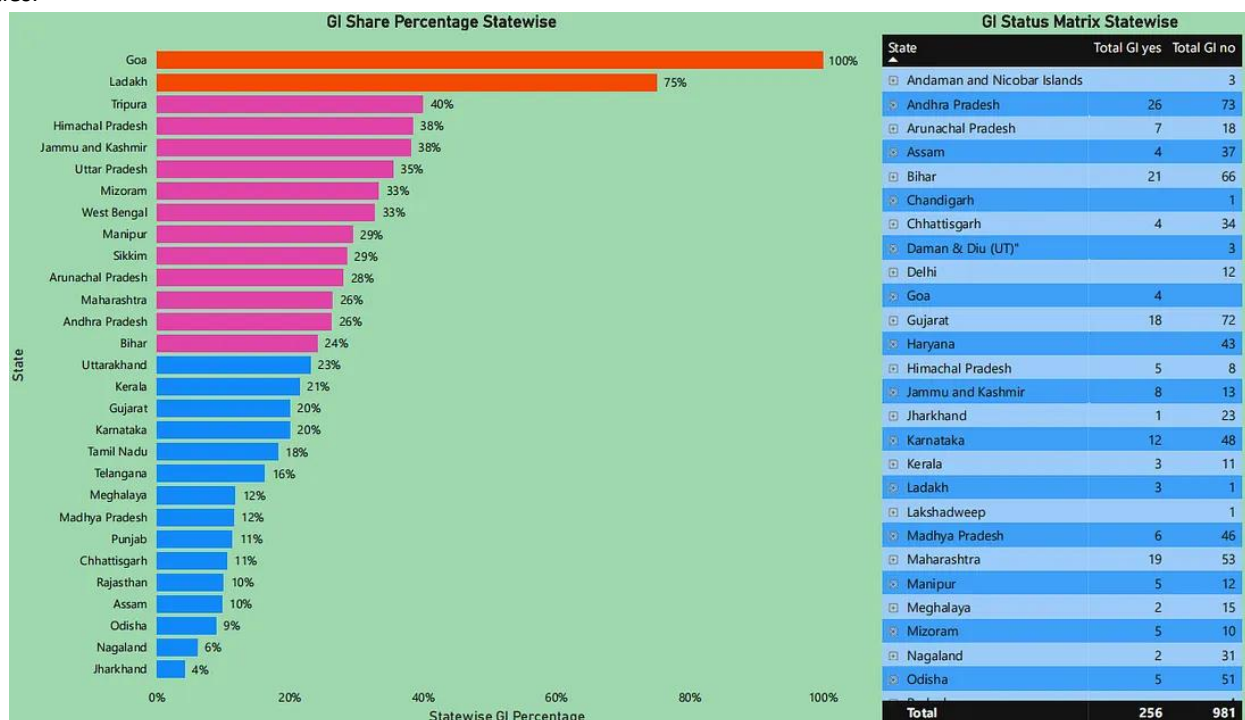
2.3 ODOP as a Formalization Strategy

The "One District One Product" (ODOP) initiative is an important tool that can help promote local economic development and create new job opportunities through the encouragement of traditional industries, which have been successful in Japan through their One Village One Product strategy. The ODOP initiative aims at establishing a product that is specific to each district in India and providing them with assistance through policies, infrastructure development, branding, skill development, and market access. The ODOP programme involves many different stakeholders, including government, financial institutions, training organizations and industry associations. By working together, all of these stakeholders aim to build up local value chains, and move artisans from being part of the informal economy to being part of the formal economy; therefore, providing artisans with access to credit support mechanisms such as subsidy loans and institutional finance, respectively will help them increase their production capabilities and expand their businesses. Additionally, branding and expansion assistance will help artisans increase the visibility of their products, allowing them to compete at both the national and international level.

A fundamental aspect of ODOP's growth has been the establishment of a conducive institutional environment to promote enterprise formalization and linkages along the supply chain. Through the PM Formalization of Micro-Food Processing Enterprises (PMFME) Scheme, 726 districts in 35 states/UTs have identified ODOP products with the broader national ODOP programme covering 1,102 products based in 761 districts. The government has supported enterprise development through 18,872 credit-linked subsidy projects, the establishment of 76 incubation centres focused on ODOP products, and the launch of 17 branding and marketing programmes for micro-enterprises. These interventions have increased access to finance, technology, training and

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

marketing support, enabling local producers to transition from informal production systems to more formalised economic activities.



Source: [Medium](#)

Overall, studies on ODOP show that the ODOP programme has created an environment conducive to the growth of entrepreneurship, job creation and market access for artisans. The programme also helps encourage registration of entrepreneurs with micro and small enterprise (MSE) registration and links them to the various government support programs, which formalizes the artisan industry, thereby creating economic opportunities for artisans.

Skill Development and Market Access

Skill development constitutes a central component of the ODOP programme. Training initiatives focus on improving production techniques, product quality, packaging standards, and digital marketing capabilities. Enhanced skills contribute to increased productivity and improve artisans' competitiveness within national and global markets.

ODOP is creating an enterprise formalisation framework through market access, capacity building and digital inclusion. Government initiatives include helping artisans participate in domestic exhibitions, being onboarded to an e-commerce platform (ex. Government e-Marketplace - GeM; ODOP Bazaar), as well as providing regular training and branding programmes. The result of these interventions has been that artisans now have increased market exposure, reduced reliance on intermediaries and increased access to formal business networks. The greater emphasis placed upon registering enterprises and integrating them into the marketplace demonstrates the overall goal of ODOP to transition traditional producers from informal production systems to more formalised economic activities.

The ODOP Programme promotes artisan participants' access to trade fairs, exhibitions, e-commerce platforms and export markets. Increased quality certification and branding efforts will give artisans' products greater visibility and broaden the artisan's consumer base.

Financial Inclusion and Enterprise Registration

Financial inclusion measures under the ODOP Programme will assist artisans in gaining access to formal banking services, institutional credit and government assistance programmes. Under the Micro, Small & Medium Enterprises (MSME) Programme, artisans must register their business to access the financial services.

2.4 Formalization and Wage Structures

The relationship between formalizing the structure of wages and how those wages are created has been examined in the labor economic literature. Additionally, wage determination in the informal sector tends to be determined based on local market conditions, as well as intermediaries exerting control, and asymmetries of bargaining power rather than on standardized arrangements. This often results in workers being paid very low wages and experiencing income instability.

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

Formalizing a job, or a work environment can improve wage outcomes through (among others) a variety of ways. For example; providing access to institutional finance, technology, or broader markets will create greater productivity and generate higher wages; through employment in a formal organisation, providing greater wage transparency, reducing wage exploitation and increasing workers' collective bargaining power. Studies undertaken on India's labour market consistently show the disparity in wages received by workers within the formal and informal sectors, with formal sector workers generally earning greater and more stable wages (NCEUS, 2007).

Wage Levels & Stability

Formalising work contributes to an increase in the level of wages by increasing worker productivity and enabling access to the highest value markets. Formal employment arrangements tend to provide a more stable income; this reduces the vulnerability of workers to fluctuations in seasonal demand for work..

Gender Wage Differentials

Women who make handicrafts, are at a disadvantage and earn less than their male counterparts because of a lack of access to resources, markets and other training opportunities. Formalising women artisans through formalisation will reduce their wage disparities if they are provided with training to acquire skills and gain access to new markets.

Skill Premiums

Finally, workers who possess accredited skills and have completed formal training are often rewarded with higher earnings, which provides an incentive for workers to participate in formal training programs.

Research consistently indicates that formal workers benefit from higher wages, better working conditions, and greater access to social protection than their informal counterparts.

2.5 Formalization and Labour Migration

Migrating artisans' households are primarily motivated to migrate due to the economic condition of their households due to the instability of income and low wages. Therefore, younger artisans often migrate to urban centres to access higher wages and greater job security.

Local Employment Generation under ODOP

The ODOP programme aims to develop employment and create economic opportunities by developing the cottage industries at the district level. As a result, improved earnings and enterprise growth can provide less reason to migrate.

Labour Retention Effects

Supporting the development of enterprises (artisans) through formalisation and increasing their access to the market may lead to artisans remaining in their communities and continuing with traditional occupations.

Reverse Migration Possibilities

Improved economic opportunities may encourage former migrants to migrate back to regions with artisan production (e.g., artisans returning to former migration regions) and contribute to regional development and the retention of artisan skills.

2.6 Empirical Evidence from ODOP and Similar Models

A look at the ODOP program in India reveals some evidence of the benefits of creating employment, increasing exports, promoting entrepreneurship, and increasing skills through district-based interventions. The programs have resulted in the visibility of products being made in the district, as well as how to create and build up the value of local products for building strong value chains. In addition, more artisans are able to access the markets that they are producing for.

The world's experiences can provide some guidance to support the idea that place-based development strategies are successful. One such strategy is Japan's OVOP program. The program was designed to create entrepreneurship, develop community participation, and promote economic growth through specialization of product development and improving the capability of each producer. Thailand's OTOP program followed a similar path to the OVOP program and provided more rural employment opportunities by providing more access for local producers to the market.

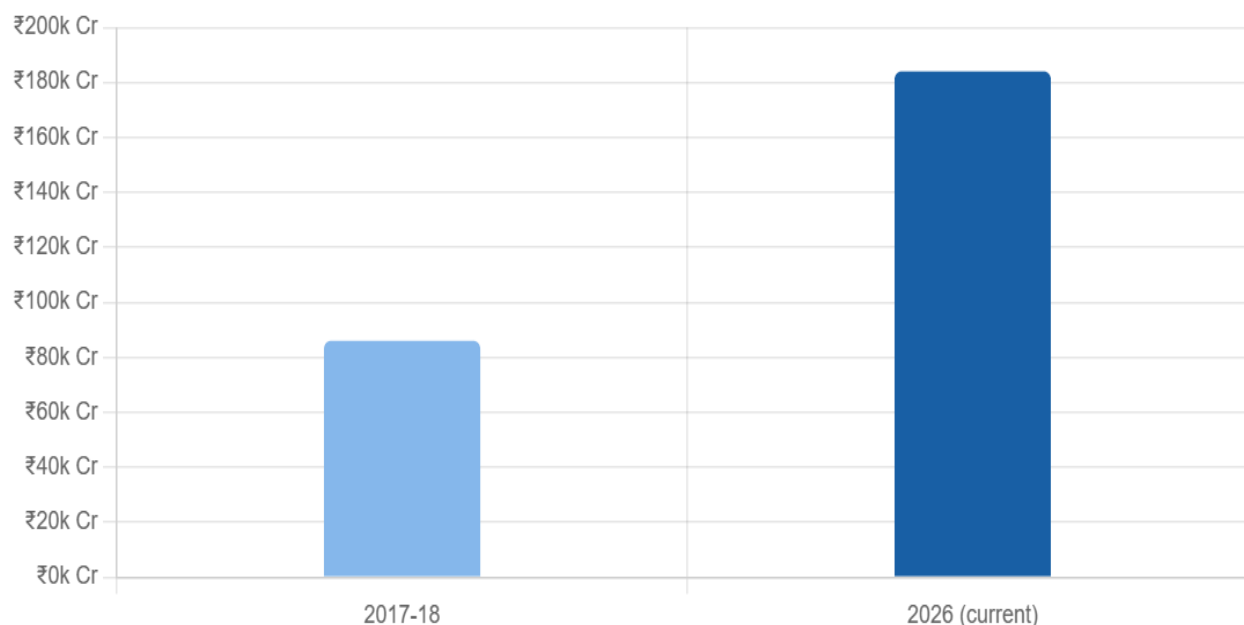
Finally, the comparative analysis of place-based specialization strategies shows that when there are effective institutions and financing available, these strategies build stronger local employment ecosystems, make places more competitive, and reduce the migration of workers to other locations.

Uttar Pradesh, where the ODOP Program was initially piloted - the ODOP Initiatives are contributing to enhanced employment and livelihoods for those employed under this program. For example, various Government studies state that approximately 3.16 lakh new jobs have been created since 2018 under this scheme; while export growth during the same period almost doubled - from ₹86,000 crore in 2017-18 to ₹1.84 lakh crore; as well as having provided training to over 1.31 lakh artisans and toolkits; and other financial assistance/support to many thousands of entrepreneurs within UP. Overall, these results indicate that ODOP is

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

generating more local employment opportunities while at the same time improving income-generating capabilities, thus supporting the broader goals associated with formalization and lessening 'migration pressures' amongst artisan communities.

Uttar Pradesh exports — 2017-18 vs. current (2026)



Source: [IndiaNews](#)

2.7 Research Gap

The majority of previous literature regarding the ODOP program has focused on export promotion, developing entrepreneurship, establishing product branding, and employment generation. There has been very little research on the effects of formalizing artisan economies in India with regards to wage structures and decisions on migratory patterns. Likewise, there is little understanding of the relationship between formalization of artisan economies, the stability of earnings, the bargaining power of the workforce, and any migratory outcomes in artisan intensive districts, where there is still an established and informal production system.

CHAPTER 3: CONCEPTUAL FRAMEWORK

3.1 Conceptual Framework

This study's conceptual framework is concerned with the relationship between the effects of formalization (through the One District One Product or ODOP initiative) on wage structures and labour migration patterns of artisans. The ODOP formalization variable includes the incorporation of informal artisan enterprises into formal economic systems using mechanisms such as enterprise registration, skills training, access to institutional credit, market access and digitalization. The goal of these mechanisms is to increase the productivity, competitiveness, and participation of artisans within the formal economy. Two dependent variables are analysed in the study; wage structure and labour migration. Wage structure is examined using indicators such as income level, wage stability and skill premium; while labour migration is examined through out-migration levels, migration intentions and local employment retention levels. The conceptual framework hypothesises that by improving artisans' access to resources, finance, training and markets, formalization will lead to improved productivity and economic opportunities for artisans. As artisans earn greater income levels and have more stable employment conditions, the economic reason for them to migrate is likely to decrease. Accordingly, the conceptual framework hypothesises that formalization through the ODOP initiative will improve local employment retention, enhance livelihoods and contribute to sustainable development in artisan communities

3.2 Conceptual Framework Diagram

Formalization under ODOP

(Registration + Training + Credit Access + Market Access + Digitalization)

↓

Enhanced Skills, Financial Inclusion, and Market Integration

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Higher Productivity and Enterprise Growth

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How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

Improved Wage Structure

(Income Levels + Wage Stability + Skill Premiums)



Reduced Labour Migration

(Lower Out-Migration + Reduced Migration Intentions + Greater Local Employment Retention)

CHAPTER 4: RESEARCH METHODOLOGY

This qualitative research employs secondary data analysis to learn how the formalisation of informal artisan economies through the One District One Product (ODOP) initiative will influence wage structures and labour migration patterns. The qualitative research approach provides the opportunity to gain a detailed understanding of the processes and consequences of formalisation. Data collected for this research is based on secondary sources, some published by reliable government agencies e.g. Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), reports produced about the ODOP programme, Ministry of Micro, Small and Medium Enterprises (MSME), Periodic Labour Force Survey (PLFS) and NITI Aayog. Additional sources are peer-reviewed scholarly articles, books, and case studies about informal labour markets; artisan economies; formalisation; wages; and migration. Analysis included thematic analysis to reveal recurring themes in relation to formalisation, wage structures, and labour mobility; and comparison with other studies, geographic regions, and policy experiences. The combination of these approaches produced a broad understanding of the relationship between formalisation under the ODOP programme, artisan wages, and labour migration patterns.

CHAPTER 5: ANALYSIS AND DISCUSSION

5.1 Formalization Mechanisms under ODOP

Through the various means employed by organizations to support artisan economies, such as the registration of businesses, skill development programme, access to finance from government agencies, support for linking artisans to markets and providing branding assistance and digitalizing artisan businesses, artisans have been encouraged to register as micro, small and medium-sized enterprises (MSMEs) which has enabled them to utilize formal financial systems to access government programmes, credit, and training. In addition, participation of artisans in trade fairs, online platforms, and export promotion activities has allowed them to expand their market reach by connecting to more markets and reducing their reliance on local intermediaries. As a result of these efforts, artisan enterprises previously working solely in the informal economy are gradually being incorporated into an organized economic structure.

Since the ODOP Initiative was first introduced nationally as a program, it has rapidly expanded to cover over 1,102 District Specific Products (DSPs) in 761 Districts by 2025, encompassing several sectors including handicrafts, handlooms, textiles, agriculture, food processing and other types of traditional industries - all based on the Department for Promotion of Industry and Internal Trade (DPIIT) requirements through the identification and promotion of district-specific products. District specific product identification is intended to provide targeted policy support to local enterprises while advancing regional economic development and creating additional opportunities for artisans and small producers. This broad outreach further demonstrates the Government's commitment to bringing local products into formal sectors as well as improving the market competitiveness of local industries.

5.2 Effects on Wage Structures

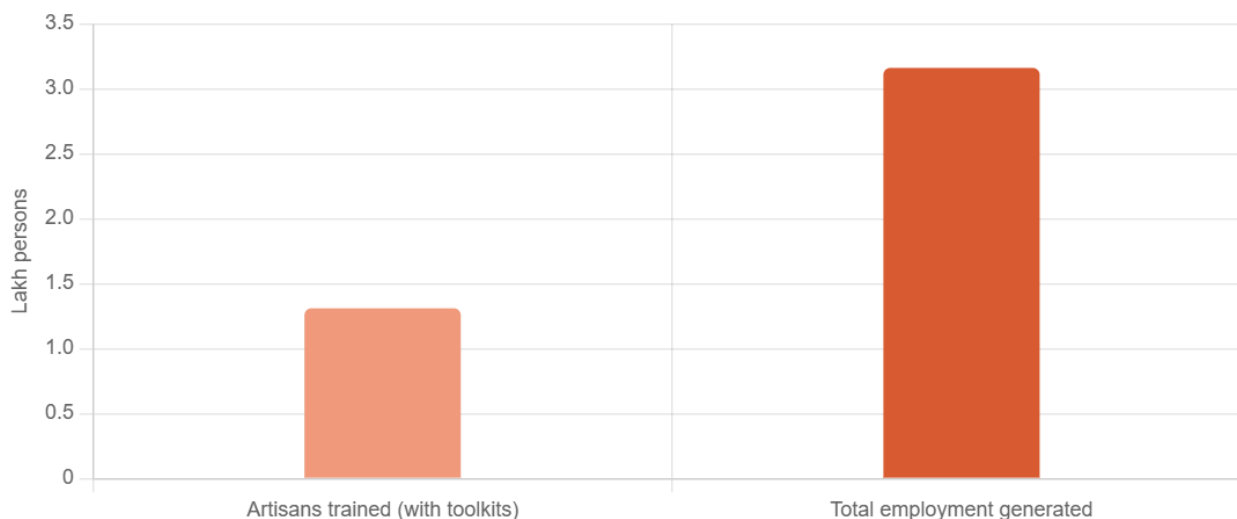
Changes in Earnings

Overall, ODOP's assistance in formalizing artisans has increased the revenues received by artisans through increased access to larger consumer markets, improved product visibility and increased productivity. Many artisans are receiving higher returns for their products due to having greater access to larger consumer markets and having a better price for their products.

Changes in Employment Conditions

With the assistance of ODOP, improvements in business structures such as business registration and participation in formal support systems have facilitated the provision of improved employment opportunities for artisans, developed strong financial positions for artisans, and provided greater opportunities for artisans to have formal employment arrangements; however, the reporters have cited that there remains a lack of opportunities for formal employment arrangements across many of the sectors where artisans operate.

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?



Source: [India News](#)

Wage Stability

Increased market access and diverse sales channels have mitigated the reliance upon seasonal demand and created improved income stability for artisans involved in ODOP-supported activities compared to those who solely participate in informal markets.

Emerging Skill Premiums

Emerging Skill Premiums Training programs implemented by ODOP have improved artisans' technical skills and business management skills. Given the demand for skilled artisans with particular skills, certification, or advanced production techniques, this development has helped drive the emergence of skilling premiums for artisans in artisan sectors.

5.3 Effects on Labour Migration

Reduced Rural-to-Urban Migration

Increased opportunities and improved ability to earn from OPOD have reduced some of the historical economic forces driving the migration of artisans from rural to urban areas..

Employment Retention

The improved access and growth of local businesses has increased the ability of the local business community to retain skilled artisans. When artisans can find viable opportunities for a livelihood within their communities, they are more likely to continue working in their traditional trades.

Creation of Local Economic Opportunities

Local level economic development has largely resulted from the development of production activities; market networks and entrepreneurship opportunities as a result of the expansion of ODOP created through self-employment.

Regional Variations

The impact of ODOP has occurred differently in different districts, which is influenced by product specialisation, availability of adequate infrastructure, level of institutional support, and connectivity to target markets in those districts.

5.4 Persistent Challenges

Despite being a necessary component of the ODOP process, many of its key objectives are impacted by ongoing challenges. For example, the implementation of ODOP differs significantly between districts resulting in inconsistent success levels/access to programme benefits throughout the entire country. Many artisan sectors continue to be affected by informal subcontracting arrangements, limiting opportunities for formalisation. The amount of access to social protection continues to be insufficient; many artisans do not have access to health insurance, pension plans or other forms of welfare assistance. Many women artisans earn lower wages compared to their male counterparts receive less market access and have limited involvement in decision-making. Additionally, increased reliance on foreign markets exposes artisans to economic uncertainty and fluctuations in consumer demand which creates vulnerability that may impact long-term viability.

Overall ODOP has contributed positively in terms of improving artisan economies through increased access to skills; finance and market opportunities. These changes have positively impacted wage structure and have provided additional employment opportunities which will help to reduce the amount of labour migration. However, addressing long-standing structural issues continues to be critical to achieving an inclusive and sustainable outcome for artisans.

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

6. POLICY RECOMMENDATIONS

According to the research, the government can improve the effectiveness of the 'One District, One Product'(ODOP) program by applying new policy approaches that will positively influence how artisans earn wages and migrate for improved job opportunities.

Strengthen Artisan Registration

The community of artisans will benefit from decreased barriers to registration with government agencies and improved public awareness about the advantages associated with formal registration. Increased participation by artisans will yield more financial assistance options, access to training and an increased level of government assistance. The government can increase the number of people who complete registration by establishing mobile registration camps in communities and district-based support centres.

Improve Labour Protections

Artisans should receive better protection through standardized contracts, timely wages and a process for dispute resolution. In addition, achieving formal employment status will improve their ability to secure jobs and reduce their risk of exploitation.

Expand Digital Market Integration

There is an opportunity to utilize digital platforms as part of the artisan value chain to allow immediate access to consumers and reduce reliance on intermediaries. Increased training in digital skills, e-commerce and online marketing will enable artisans to develop their presence in the marketplace while at the same time creating financial and income growth potential. Increased market presence will be achieved by establishing partnerships with larger e-commerce platforms.

Improve Wage Monitoring

In order to capture all aspects of a formalized workplace for artisans, regular monitoring of artisans' wages and work conditions must occur. Government agencies should be required to develop procedures to monitor wage trends, document where wage disparities exist and encourage fair compensation across all artisan sectors.

Promote Social Security Coverage

Increasing social protection measures to include many additional artisan workers, will help reduce artisans' economic vulnerability, improve their standard of living, through the addition of access to health insurance, pensions, accident and maternity benefits.

Support Cluster-Based Development

Support for the implementation of cluster development strategies will help facilitate collaboration and communication amongst artisans, producers, training institutions, and market participants. Developed cluster networks will enhance the availability of infrastructure, access to technology and financial resources, and improve access to markets to enhance the productivity and global competitiveness of artisans. This supportive environment shall serve as the foundation to develop sustainable employment opportunities, thereby decreasing the pressure of migration within artisan-producing regions.

CHAPTER 7: CONCLUSION

This research involved the exploration of the way that the One District One Product initiative has affected the wage structure and migration of artisan labourers in India especially as the artisans' economies are largely based around informal modes of production. Historically, these artisan economies were built on informal systems with low wages, insecure employment relationships, limited access to capital, and reliance on middleman. With the launch of ODOP, a number of interventions were implemented; such as registration of businesses, development of skill sets, facilitation of credit, digitalization and branding, and market integration, that would provide artisans with a more formalized structure and help secure long-term financial viability of their respective industries.

The evaluation suggests that ODOP has largely helped in formalizing the operations of artisan enterprises by providing greater opportunities for institutional support, access to financial services, training opportunities and access to larger markets. In addition, the increased participation in formal economy activities has assisted many artisans improve the way they operate their business and improve their productivity. ODOP has also led to greater incorporation of artisans into formal domestic and international value chains allowing new opportunities to grow their enterprise and improve their livelihood. The positive implications of formalization for wage structures are evidenced through increased access to markets, improved skill set capabilities and increased productivity resulting in higher earnings and greater long-term income stability to artisans. Additionally, the creation of a premium wage for artisans who are skilled and trained reinforces the importance of capacity building efforts when working toward better labour outcomes.

How Does Formalization of Informal Artisan Economies Under ODOP Affect Wage Structures and Labour Migration?

In terms of labour migration, findings indicate that ODOP contributed to a local job market increase and therefore some reduction in economic pressures that cause rural-to-urban migration. Greater enterprise development also improved prospects for livelihoods thus contributing positively to job retention within artisan enabled districts. However, the effect on migration patterns has not been evenly experienced due to differences in implementation effectiveness, access to markets and regional economic conditions

Despite these positive outcomes however, many obstacles still prevent formalisation from reaching its full potential. These include: uneven programme implementation; ongoing reliance on informal subcontracting; lack of sufficient social protection coverage; gender inequities; and market dependency. Addressing these obstacles is essential to allowing artisan communities to fully exploit the benefits of formalisation.

In conclusion, the study has shown that ODOP is an important policy instrument for facilitating the formalisation of artisan economies, increasing wages, increasing local employment opportunities and reducing migration pressures to foster inclusive economic growth and the long-term viability of traditional artisan livelihoods. If the benefits of ODOP to artisan economies are going to be maximised, more policy intervention and targeted support are needed to achieve fairer and more equitable outcomes amongst artisan sectors across regions.

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