

**DOES ONE DISTRICT ONE PRODUCT DELIVER?
CAUSAL EVIDENCE FROM A SUBNATIONAL INDUSTRIAL
POLICY IN INDIA**

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ABSTRACT

This study uses a causal inference design to examine the impact of the One District One Product programme (ODOP) on informal manufacturing firms in the state of Uttar Pradesh, India. Launched in 2018, the ODOP extends government support to manufacturers of one chosen product in each of the 75 districts of Uttar Pradesh. There is little existing literature on the ODOP and quantitative work is limited by lack of data with sufficient granularity. This study uses a novel construction of three datasets: one repeated cross-sectional dataset at the enterprise level, which is collapsed to build two panel datasets at the industry-district level. We exploit inter-district variation in a difference-in-differences setup to identify the average treatment effect of the ODOP. This study finds no positive statistically significant effect on gross value added, fixed capital, employment or firm entry attributable to the policy. We investigate heterogeneities in the results through different dataset constructions and analyse the policy design and implementation.