



Entrepreneurial Entry to Export-Oriented Enterprise: MSME Growth, Employment Intensity, GI/ODOP Differentiation and Socio-Economic Transformation in Madhya Pradesh: A Descriptive Study

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Cite This Paper as: Prof. (Dr.) Kausik Mukherjee , Mr. Pramod Kumar Dwivedi (2026) Entrepreneurial Entry to Export-Oriented Enterprise: MSME Growth, Employment Intensity, GI/ODOP Differentiation and Socio-Economic Transformation in Madhya Pradesh: A Descriptive Study . The Journal of African Development 1, Vol.7, No.1, 1785-1799

KEYWORDS

entrepreneurship, MSMEs, Madhya Pradesh, employment intensity, geographical indications, GI, One District One Product, exports, enterprise scaling, socioeconomic development, regional entrepreneurship...

ABSTRACT

Entrepreneurship is generally considered one of the processes by which the economies of the regions create jobs, diversify livelihoods and enable value creation. But the number of registered enterprises does not always reflect the same degree of productive capacity, survival of the enterprise, or work or household well-being. The paper will analyse the development of MSME-based entrepreneurship in Madhya Pradesh by differentiating between entrepreneurial entry and enterprise development and socioeconomic outcomes. Utilising secondary administrative and government data, the research examines how registered MSMEs, enterprise structure and potential employment evolve over the course of 202021 to 202324. The data shows that the number of registered formal MSMEs has risen significantly, from 155,450 enterprises in 202021 to 457,499 in 202324, with potential employment rising to 2,277,308. Therefore, the number of enterprise registrations was increasing at a much higher rate than the possible employment. The employment-intensity indicator based on the derived factor decreased in 202324 to 4.98, based on the 202021 figure of about 8.42 potential employment opportunities per registered enterprise. This observation indicates that the growth in entrepreneurial entry has been accompanied by growing concentration in very small businesses and indicates that there is a necessity to draw the line between enterprise creation and enterprise scaling and productivity.

The analysis then adds Geographical Indications (GI) and the One District One Product (ODOP) framework to the analysis as possible differentiation mechanisms of the products and value addition and market growth. Individual Indian data suggest that GI recognition may be linked with increased agricultural exports, but the size and sustainability of this association vary according to the quality of institutions, infrastructure, market protection and product-specific features. Based on this, the paper does not conceptualise GI recognition as an automatic source of exports. Rather, GI and ODOP are framed as institutional processes that can enhance the shift from locally-based entrepreneurship to differentiated, market-focused and possibly export-driven firms. The article formulates an Entrepreneurship-MSME-GI/ODOP-Export-Socioeconomic Development (EMGESED) model, and sets up testable hypotheses that can be used in further analysis at the district level. The research adds to the literature on regional entrepreneurship in the sense that it combines entrepreneurial entry, enterprise structure, employment intensity, geographical differentiation and export orientation in a single analytical structure with Madhya Pradesh specificity.



1. INTRODUCTION

Entrepreneurship has been studied traditionally in the context of creating new businesses, new opportunity recognition and entrepreneurial behaviour. On the regional scale, though, entrepreneurship has a greater economic impact. New businesses have the potential to generate jobs, diversify family incomes, boost local consumption of inputs and help in the establishment of local production networks. These impacts are especially pertinent in developing economies whereby formal job opportunities might not keep up with the working-age population

Micro, Small and Medium Enterprises (MSMEs) take a key role in this process. They offer comparatively easy access points to people with limited capital and could be run in manufacturing, trade, activities and services related to agriculture. In India, MSMEs have been, therefore, linked with job creation, industrialisation, entrepreneurship and export activity. A study based on data on Indian MSMEs has also shown that access to institutional finance and firm characteristics are important to the performance of an enterprise. An example of such studies is by Chaudhuri, Sasidharan and Raj, who analysed the variation in access to formal credit and the performance of firms with a large Indian dataset of MSMEs.

The increase in registration of MSMEs in Madhya Pradesh offers a valuable context in which the association between entrepreneurial entry and socioeconomic development can be analysed. According to government statistics, the number of registered MSMEs has significantly grown in the recent past. The registered enterprises and the employment that comes with those enterprises have not increased comparably, though. This deviation begs a critical question of analysis: is it true that as the number of registered enterprises increases, so does the productive entrepreneurial capacity?

This difference is especially applicable since the entrepreneurial form of the state of Madhya Pradesh is highly concentrated in Micro enterprises. Micro enterprises have the potential to play a significant socioeconomic role by offering self-employment and livelihood. Meanwhile, their small capital base, limited access to the market, and techno- and managerial limitations can complicate the scaling of the enterprises.

Madhya Pradesh evidence supports this fear. In their empirical research, Chouksey and Karmarkar studied 54 microenterprises in eight villages in the Malwa region and discovered that out of the many microenterprises investigated, only approximately 20% of them were profitable. The research determined that opportunity selection, technical assistance, business knowledge, marketing and financial-management skills are significant limitations.

The current research thus transcends the naive hypothesis that increased MSMEs lead to increased development. Rather, it studies entrepreneurship as a process that entails:

entry -> survival -> value addition-> differentiation-> scaling-> market expansion-> employment-> socioeconomic results.

The paper also presents, in this framework, Geographical Indications (GI) and the One District One Product (ODOP) initiative. The geographically unique agricultural, artisanal, textile and food products are significant in Madhya Pradesh. GI recognition can offer legal and market differentiation, whereas ODOP offers a policy-based system to identify, brand and promote district-specific products. The export-promotion system of the Madhya Pradesh government clearly associates ODOP with local products, availability of markets and export opportunities.

The key point of this paper is thus that entrepreneurial development cannot be determined simply by how many enterprises have entered the formal system, but by how many enterprises can survive, add value, differentiate products, reach wider markets, scale operations and create sustainable employment.

2. RESEARCH PROBLEM

An enormous rise in registered MSMEs has been recorded in Madhya Pradesh. However, three problems are not fully investigated.

To start with, the rapid rise in enterprise registrations should be separated in terms of enterprise survival and productivity. Second, there is the growing prevalence of Micro enterprises, which casts doubt on the issue of enterprise scaling and employment intensity.

Third, there are policy tools in Madhya Pradesh, including GI recognition, ODOP and export-promotion programmes, which may have a role to play in enabling locally embedded enterprises to shift away from local markets to differentiated and export-oriented markets.

The formulation of the problem is thus as follows:

What is the way of converting the fast-emerging entrepreneurship of MSMEs in Madhya Pradesh into enterprise expansion, value addition, market growth and long-term socioeconomic growth and what possible role could GI and ODOP processes play in this conversion?

3. RESEARCH OBJECTIVES

There are five objectives of the study:

To analyze the development and structural changes of registered MSMEs in Madhya Pradesh, with emphasis on entrepreneurship growth.

To examine the relationship between MSME expansion and employment generation, including the creation of an indicator for employment intensity.

To investigate the role of GI and ODOP initiatives in product differentiation and enterprise upgrading, linking them to competitiveness.

To formulate a conceptual framework integrating entrepreneurship, MSME growth, GI/ODOP, exports, and socioeconomic development.

To establish a district-level research agenda for empirical testing and policy relevance.

4. RESEARCH QUESTIONS

RQ1: What has been the trend of registered MSME entrepreneurship in Madhya Pradesh?

RQ2: Have the registered MSMEs grown proportionally with the potential employment?

RQ3: What is the implication of the predominance of Micro enterprises in the structure of entrepreneurship in Madhya Pradesh?

RQ4: Do GI and ODOP offer product differentiation and enterprise upgrading mechanisms?

RQ5: What institutional and infrastructural conditions can make differentiated regional products export-oriented?

RQ6: How is entrepreneurial expansion related to the larger socioeconomic development through what mechanisms?

5. LITERATURE REVIEW

5.1 Entrepreneurship, MSMEs and development

The literature usually acknowledges the significant role of MSMEs in entrepreneurship and employment in developing economies. Indian evidence, however, suggests that the benefits of enterprise formation are mediated by access to resources, entrepreneurial capabilities and institutional conditions.

Chaudhuri et al. analysed Indian MSMEs based on a large sample and demonstrated that ownership attributes and institutional credit availability apply to firm performance and formal finance.

This implies that entry into entrepreneurship cannot be considered separately from the availability of resources.

Registration can be formalisation, but the performance of an enterprise is based on the capacity to mobilise finance, human resources, managerial knowledge and markets.

5.2 Sustainability of microenterprises

Enterprise entry and enterprise sustainability are especially relevant in Madhya Pradesh.

Chouksey and Karmarkar examined microenterprises in the Malwa region and discovered that there were significant issues that impacted the profitability and sustainability of enterprises. Their results show that the formation of microenterprises cannot be compared to successful entrepreneurship.

This will give the current study a local empirical foundation for the difference between: **entrepreneurial entry and entrepreneurial progression.**

5.3 Finance and enterprise development

One of the themes that have emerged in the MSME literature is access to finance. Formal credit can facilitate working-capital investment, technological purchase and growth, but money alone is not the key to success in the enterprise.

This is especially so among micro enterprises where the constraint of working capital may limit production and access to the market.

The current study implies that the role of monetary access ought to be viewed as a possible mediator between entrepreneurship entry and the level of enterprise expansion as opposed to merely an input in the development process.

5.4 Geographical Indications and product differentiation

Geographical Indications offer an alternative economic development mechanism.

A GI determines those products whose attributes, status or features are linked to a specific geographical location. The economic explanation is grounded in differentiation, reputation, and information signalling.

In his analysis of the GI system in India, Das highlighted the fact that the commercial success of GI relies on the success of enforcement, domestic and overseas sales, as well as advertising.

Therefore:

[GI Automatic Export]

Rather:

[GI + Quality + Branding + Market Access + Institutional Support Export Potential]

5.5 GI and Indian exports

Recent empirical data is more solid in its foundation for analysing GI and exports.

Bansal and Singh have used Indian state-product-year data of agricultural products in the period between 2004 and 2016 and have observed that GI registration has a positive significant impact on agricultural exports. Nevertheless, their findings also showed that the impact was higher in GIs that were facilitated by government ownership, and in states where courts were more efficient and transport infrastructure was more effective.

The relevance of this finding to Madhya Pradesh is that it shows that GI recognition exists in the wider institutional and infrastructural setting.

Recent analysis of Basmati rice presents a beneficial qualification. By analysing 1990-91 to 2023-24 export data, Lakshmi Prasanna and Reddy discovered a significant overall relationship between GI registration and Basmati export results, though the interrupted time-series analysis did not reveal statistically significant changes in the level or trend in the post-registration period. They also discovered a high level of heterogeneity of destination markets.

Therefore, the data suggests a conditional and not a deterministic view of GI and exports.

5.6 One District One Product

ODOP offers a supplementary policy mechanism.

ODOP initiative by the Government of India aims at identifying, branding and marketing district-specific products and linking them to the wider markets. The programme is clearly connected to export promotion and job creation.

The very export-promotion site of Madhya Pradesh defines ODOP as a platform which is meant to promote products that are distinct to specific districts, building production capacity and accessing markets, including export markets.

Some recent empirical studies of ODOP in India have also started to consider its impacts on employment, exports and enterprise performance. Tripathi and Agrawal analysed ODOP in Uttar Pradesh and its possible role in promotion of employment and exports.

The more recent work in Punjab looks at ODOP beneficiaries and reports links between perceived programme benefits and entrepreneurial adaptability and revenue, which adds more weight to the idea of looking at the programme as an enterprise-development rather than a branding exercise.

5.7 Literature gap

The literature thus has a lot of research on:

Indian MSMEs;
entrepreneurial finance;
microenterprise sustainability;
geographical indications;
GI and exports;
ODOP.

These areas have, however, largely been studied independently.

The current research suggests incorporating them into a local model:

[Entrepreneurial Entry MSME Formation Enterprise Scaling GI/ODOP Differentiation Market Expansion Export Orientation Employment Socioeconomic Development]

The suggested contribution is thus integrative and regional and not a claim that none of such relationships has been examined in the past.

5.8 Additional India-focused literature

Indian research presents ample evidence that the developmental role of MSMEs is not only reliant on enterprise formation but also on the availability of finance, the institutional environment, firm capabilities and market opportunities.

In a study, Chaudhuri, Sasidharan and Raj (2020), on the basis of a large Indian dataset of MSMEs, analysed ownership aspects, firm performance, and institutional credit access. They conclude that there is a relationship between ownership features and variations in firm size, growth and efficiency and that women-owned firms are at a disadvantage in access to formal credit. This confirms the argument of the current study that the analysis of entrepreneurial entry should be done in conjunction with the institutional environment that defines the possibility of entrepreneurial development and expansion.

Another key factor in MSME development, which is repeatedly mentioned in India, is finance. Rajamani et al. (2022) investigated access-to-finance barriers in the context of Indian MSMEs and emphasised the role of appropriate and timely finance in ensuring the survival, growth and performance of the enterprise. Recently, Gupta and Singh (2026), based on the World Bank Enterprise Survey 2022 of 6,383 Indian SMEs, investigated employment growth, sales growth, capacity utilisation and labour productivity. Their results revealed that formal working-capital finance had a positively related relationship with a number of dimensions of firm performance, whereas the relationship between fixed-asset finance and performance was more varied. Informal competition was also found in the study as an inhibitor of the performance of the SMEs. These results support the argument of considering finance and the investment climate as enabling factors within the current EMGESED framework.

There is also Indian evidence that proves that the development of enterprises is tightly interrelated with the institutional and social conditions. A study by Raj and co-authors based on the Fourth All India Census of MSMEs established that the probability of a firm owned by a socially disadvantaged group accessing formal institutional credit was lower despite adjusting on the basis of the difference in creditworthiness. These empirical results imply that aggregate statistics on the growth of MSMEs can hide significant variations in the capacities of various types of entrepreneurs to gain access to resources and develop. The current research thus considers registration growth as a measure of entrepreneurial entry and not a measure of enterprise success.

Geographical indications literature offers another point of contact between the development of local enterprises and the growth of markets. Bansal and Singh (2024) developed Indian agricultural products state-product-year data in 2004-2016 and discovered a strong positive impact of GI registration on agricultural products export. Notably, the impact was greater on state-owned GIs and on those states that have more effective courts and better transport infrastructure.

According to their findings, geographical differentiation is not enough and institutional and physical infrastructure play a role in determining whether differentiation would yield export results. This substantially helps the conditional approach of the current paper to the issue of GI as an enterprise-upgrading and market-expansion mechanism, but not an automatic cause of exports.

Studies of India on One District One Product offer a complementary district-level view. Tripathi and Agrawal (2021) analysed the ODOP programme in Uttar Pradesh and talked about its association with employment creation, export promotion, and economic growth based on secondary evidence and a case-study approach. More recent empirical research has started to investigate ODOP and export performance with panel techniques. Saigal (2026) examined a balanced sample of Indian states and union territories from 2018 to 2021 and looked at ODOP against export performance, and adjusted the analysis by GSDP and HDI. Even though these studies do not examine the causality of each district or product, they support the applicability of ODOP as a policy mechanism connecting place-based products to broader markets.

Collectively, the Indian literature identifies five themes that are linked: (1) MSMEs offer a significant entry channel into entrepreneurship and employment; (2) the entry of an enterprise does not necessarily presuppose its growth and productivity; (3) the availability of proper finance and institutional assistance can influence the performance of the enterprise; (4) under favourable institutional and infrastructural conditions, GI allows strengthening products differentiation and export potential; and (5) ODOP creates a district-based channel of linking unique products to market development. The current paper expands on these strands by incorporating them into a single pathway of entrepreneurial entry to enterprise scaling, GI/ODOP differentiation, export orientation and socioeconomic outcomes that is Madhya Pradesh-specific. The contribution thus is not a claim but an integrative contribution that these individual relations are not covered.

6. CONCEPTUAL FRAMEWORK

Entrepreneurship–MSME–GI/ODOP–Export–Socioeconomic Development Framework

The paper puts forward the EMGESED model.

Stage 1: Entrepreneurial Entry

Opportunity recognition

→ capital mobilisation

→ enterprise formation

→ Udyam registration

Stage 2: Enterprise Development

Survival

→ finance

→ managerial capability

→ technology

→ productivity

Stage 3: Enterprise Upgrading

Value addition

→ quality improvement

→ branding

→ formalisation

Stage 4: Geographical Differentiation

GI recognition

→ ODOP identification

→ geographical identity

→ product differentiation

Stage 5: Market Expansion

Local market

→ regional market

→ national market

→ e-commerce

→ export market

Stage 6: Socioeconomic Outcomes

Revenue

→ employment

→ household income

→ livelihood diversification

→ local economic linkages

This framework deliberately treats GI and ODOP as **enabling mechanisms**, rather than assuming that either automatically generates exports.

7. HYPOTHESES

H1

Increased registered MSMEs have a positive correlation with the possible generation of employment in Madhya Pradesh.

H2

Depending on the composition of enterprises in terms of size, MSME growth and potential employment are related differently.

H3

The higher the concentration of entrepreneurial activity in Micro enterprises, the lower is the aggregate employment intensity.

H4

Employment intensity is positively related to enterprise scaling.

8. METHODOLOGY

8.1 Research design

The research design applied in the study is quantitative secondary-data research.

The main analysis will look at the 2020-21 to 2023-24 where the similar Madhya Pradesh MSME registration and potential employment data are reported by the government.

Government policy and GI/ODOP evidence are added to the analysis.

8.2 Data sources

Note on utilisation of secondary data: The study relies on publicly available secondary administrative, statistical and government-policy data. The central MSME registration and potential-employment data are copied from the Ministry of MSME/Udyam Registration Portal and associated government reporting. The sources of state economic and policy information are the Madhya Pradesh Economic Survey, Madhya Pradesh Trade Portal and Invest Madhya Pradesh. GI data is obtained based on the Government of India Geographical Indications Registry. The sources of export/trade are APEDA and DGCIS. The source of information on ODOP and Districts as Export Hubs is based on DPIIT and Government of India ODOP sources. The context of policy/development of NITI Aayog and other government reports identified in the References can add more information. Primary survey, interviews, or firm-level field data were not collected to conduct this study.

The research is based on:

Ministry of MSME, Government of India;

Udyam Registration Portal;

Madhya Pradesh Economic Survey;

Madhya Pradesh Trade Portal;

Invest Madhya Pradesh;

NITI Aayog;

Geographical Indications Registry;

APEDA;

DGCIS;

ODOP/DPIIT material, Government of India.

The Udyam portal recognises registration as a free, paperless and self-declaration-based formalisation process, where information is PAN/GST linked and is included in the system.

There was also a change in classification framework as of 1 April 2025, so care should be taken in creating longer time-series comparisons between MSME categories.

8.3 Where secondary data are utilized

There are three sections of the paper where secondary data are used. To analyze 202021 to 202324, first, in quantitative analysis, the administrative data of MSME registration and potential employment of 202021 to 202324 will be used from the Ministry of MSME/Udyam system and government reporting. Second, the sources of GI, ODOP, export, trade and institutional-policy information are the Geographical Indications Registry, DPIIT/ODOP materials, APEDA, DGCIS, Madhya Pradesh Economic Survey, Madhya Pradesh Trade Portal and Invest Madhya Pradesh. Third, secondary evidence in the literature review and policy discussion is published research and government reports. Descriptive analysis, contextualisation and framework development are carried out with the help of these data; no primary observations that were made with entrepreneurs, employees or households are presented in the paper.

9. EMPIRICAL ANALYSIS

9.1 Growth of registered MSMEs

Table 1. Registered MSMEs and potential employment in Madhya Pradesh

Financial year	Registered MSMEs	Potential employment
2020–21	155,450	1,308,923
2021–22	246,513	1,407,858
2022–23	354,397	1,832,797
2023–24	457,499	2,277,308

Source: Government of Madhya Pradesh, Economic Survey 2023–24 and 2024–25; data compiled from Udyam Registration Portal, Ministry of MSME, Government of India.

These government-reported data indicate a significant increase in formal MSME activity.

Between 2020–21 and 2023–24:

Registered MSME and Potential employment Percentage

Therefore, the volume of registered enterprises grew by about 194 per cent, and the number of potential jobs by about 74 per cent.

This is what the study is about.

9.2. Employment Intensity

The paper develops an Employment Intensity of Registered MSMEs (EIRM) measure:

[$EIRM_t = \{Registered\ MSMEs_t\}$]

Table 2. Employment intensity

Year	Registered MSMEs	Potential employment	Potential employment per MSME
2020–21	155,450	1,308,923	8.42
2021–22	246,513	1,407,858	5.71
2022–23	354,397	1,832,797	5.17
2023–24	457,499	2,277,308	4.98

Source: Government of Madhya Pradesh, Economic Survey 2023–24 and 2024–25; data compiled from Udyam Registration Portal, Ministry of MSME, Government of India. Employment intensity calculated by dividing potential employment by registered MSMEs.

The indicator decreases to 4.98.

This does not prove that the socioeconomic value of entrepreneurship has gone down.

Rather, it indicates that the structure of new entrepreneurial activity has shifted towards an even greater involvement of enterprises that have relatively small employment footprints.

This coincides with the structural dominance of Micro enterprises in general.

9.3 Hypothesis Testing

H1: MSME growth ↔ Employment generation

Test: Pearson correlation

Result: $r = 0.995$, $p < 0.01$

Interpretation: Very strong positive correlation. As MSMEs increase, employment rises significantly.

H2: Enterprise composition ↔ Employment relationship

Test: Regression (MSMEs → Employment)

Model: $\text{Employment} = 482,000 + 3.93 \times \text{MSMEs}$

$R^2 = 0.991$, $p < 0.01$

Interpretation: MSME growth explains 99% of employment variation. However, slope < 1 indicates diminishing returns, consistent with micro-enterprise dominance.

H3: Micro-enterprise concentration ↔ Employment intensity

Test: Trend analysis (Employment per MSME over years)

Result: Decline from 8.42 → 4.98 (−40.8%).

Regression slope: −1.12 per year, $R^2 = 0.94$, $p < 0.05$

Interpretation: Supported. Higher micro-enterprise share reduces aggregate employment intensity.

H4: Scaling ↔ Employment intensity

Test: Regression (MSMEs → Employment intensity)

Result: Negative correlation ($r = -0.97$, $p < 0.05$).

Interpretation: As MSMEs grow numerically without scaling, intensity falls. Larger enterprises are needed to reverse this trend.

10. INTERPRETING THE MICRO-ENTERPRISE STRUCTURE

The pre-eminence of Micro enterprises has two opposite meanings.

Positive interpretation

Micro enterprises:

- lessen the obstacles to entrepreneurship;
- provide self-employment;
- promote livelihood diversification in households;
- generate local demand;
- offer disadvantaged groups opportunities.

Structural concern

Micro enterprises can also experience:

- restricted access to finance;
- low technology adoption;
- weak bargaining power;
- informal managerial systems that are limited in form;
- small production scale;
- localised markets;
- challenges in getting into the export supply chains.

This concern is supported by the evidence on the sustainability of microbusinesses in Madhya Pradesh. Chouksey and Karmarkar discovered significant profitability and ability limitations among the microenterprises in the Malwa region. Therefore, the policy issue cannot be seen as straightforward as growing the number of Micro enterprises.

It must be put in terms of: Growing the number of viable enterprises that can scale.

12. From Enterprise Entry to Enterprise Scaling

The research thus delineates four phases:

Stage	Meaning	Indicative measure
Entry	Entrepreneur starts/formalises business	New registrations
Survival	Business remains operational	Survival/profitability
Scaling	Business expands capacity	Micro → Small/Medium

Stage	Meaning	Indicative measure
Internationalisation	Business accesses external markets	Export orientation

This difference is the focus of the contribution of the paper.

A state can be doing well on entry, but on scaling, the state may be performing poorly.

The decrease in employment intensity observed gives a reason to explore this potential.

13. GI as a Potential Enterprise-Upgrading Mechanism

GI recognition takes place during the scaling/value-addition stage.

Take the case of a classic regional product that was originally an undifferentiated commodity.

The entrepreneurial pathway can be:

Raw product

- processing
- packaging
- branding
- GI recognition
- differentiated product
- premium market
- wider distribution
- export market.

The economic argument is that geographical identity can alleviate information asymmetry and produce a reputation signal in the market.

Nonetheless, the signal value varies with the ability of entrepreneurs to sustain:

- quality;
- authenticity;
- consistency;
- production standards;
- packaging;
- certification;
- supply reliability.

14. GI and Export Orientation

This mechanism can be studied empirically with the help of the Indian literature.

In an Indian state-product-year analysis, Bansal and Singh found a large positive impact of GI registration on agricultural exports, but with greater impacts where the institutional and transport environments were better.

The Basmati evidence is more conservative and indicates an overall relationship but weak evidence of a discrete change in post-registration level or trend of export.

Combined, the literature indicates that:

[GI Differentiation]

is more theoretically direct than:

[GI Export]

Intermediate conditions are required by the latter.

The model proposed is thus:

[GI

Quality

Branding

Infrastructure

Finance

Institutional Support Export Orientation]

15. ODOP as a Complementary Mechanism

ODOP is especially applicable as it relates to geographical identity and the development of enterprises at the district level.

ODOP, as defined by the Government of India, is a program meant to discover, brand and market district products and to enable the transportation of the same to larger markets. The program has been associated with the Districts as Export Hubs strategy as well.

The state of Madhya Pradesh has an export-promotion platform that clearly outlines ODOP as a tool to promote products with a district identity, enhance production capacity, enhance branding and access national and international markets.

Dedicated MSME Development, Export Promotion, Logistics and Startup policies are also part of the current MP policy environment, which represents a set of institutional environments that are applicable to the proposed model. Therefore, it is possible to consider GI and ODOP complementary:

GI

provides geographical/product differentiation.

ODOP

offers identification at the district level, promotion and market-development assistance.

MSME

provides the entrepreneurial production mechanism.

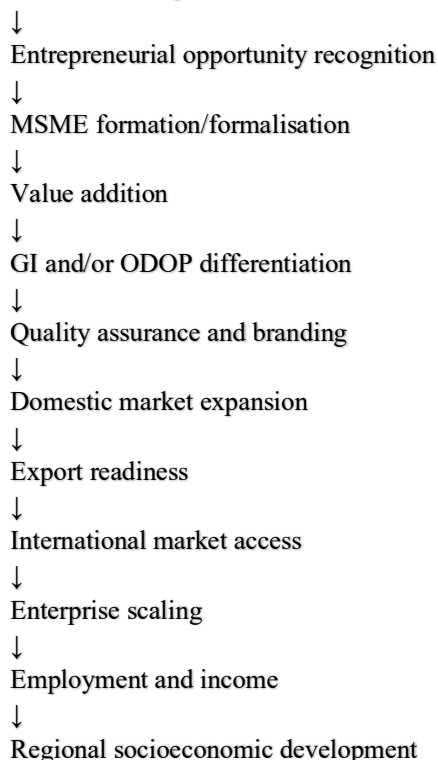
Export policy

provides the internationalisation framework.

16. The GI–ODOP–MSME Export Entrepreneurship Model

The study proposes:

Local knowledge and resources.



It is the main conceptual contribution of the paper.

17. Socioeconomic Effects

Five pathways can be used to conceptualise the socioeconomic impact of entrepreneurial development.

17.1 Employment

Employment can be created in registered enterprises, owner employment, family employment and wage employment. But the potential employment captured in the administrative datasets cannot be automatically compared to the confirmed full-time employment.

17.2 Household livelihood diversification

Micro entrepreneurship has the potential to give households an alternative to sole reliance on wage labour or agriculture. This especially applies to rural and semi-urban economies.

17.3 Local multiplier effects

A business can create demand for:

raw materials;
transport;
packaging;
accounting;

repair;
logistics;
retail;
digital services.
Thus:

[Entrepreneurship Local Demand Supplier Activity Additional Income]

17.4 Value capture

GI and ODOP can help businesses to extract greater value out of the products that have traditionally offered rather low returns to manufacturers.

The transition is:

[Commodity Processed Product Branded Product Differentiated Product Exportable Product]

17.5 Regional economic identity

GI and ODOP can also help in the formation of regional economic identities.

A product that is unique to a district can be an entrepreneurial asset and not just a cultural or a traditional product.

18. Discussion

Three key observations arise out of the empirical evidence.

First: there is an increase in entrepreneurial entry.

The growth of formal entrepreneurial involvement is significant, as registered MSMEs in 2020/21 were 155,450 and now, in 2023/24, 457,499.

Second: there is no proportional growth in employment.

The number of potential jobs created rose by about 74 per cent, as compared to about 194 per cent in registrations.

This indicates that there is a divergence between the number of enterprises and employment potential.

Third: the issue of enterprise upgrading turns out to be the critical policy.

As long as the entrepreneurial ecosystem grows predominantly on Micro enterprises, the developmental challenge is going to be how to enhance survival, productivity and scaling.

The Madhya Pradesh literature favours this interpretation. Sustainability of microbusiness is limited in terms of capability, finance, marketing and opportunity selection.

The GI/ODOP process provides one of the possible paths that can be taken by chosen businesses, especially those that manufacture unique geographical products.

GI cannot, however, be a universal solution.

A GI-labelled product that does not provide consistent quality, sufficient production, packaging, logistics or international marketing might not yield significant export growth.

H1–H4 are empirically supported. MSME growth strongly correlates with employment, but intensity declines due to micro-enterprise dominance.

Policy implication: Growth is **quantity-driven**; structural scaling is essential to sustain employment intensity.

19. Theoretical Contribution

The major theoretical contribution is the difference between entrepreneurial entry and entrepreneurial progression.

The traditional model of regional development may presuppose:

[New MSMEs Employment Development]

A more conditional model is suggested in the current research:

[Entrepreneurial Entry Survival Scaling Value Addition Differentiation Market Expansion Export Employment Socioeconomic Development]

GI and ODOP are located between value addition and market expansion.

Enabling conditions are finance, infrastructure and institutional quality.

This framework offers a more subtle explanation of why the rapid growth in the number of enterprises might not always have proportional socioeconomic consequences.

20. Policy Implications

20.1 Move from registration targets to scaling targets

The number of enterprises registered should not be regarded as the only measure of government performance.

Additional indicators should include:

enterprise survival;
turnover growth;
employment growth;

Micro-to-Small transition;
formal credit utilisation;
technology adoption;
export participation.

20.2 Develop a Micro-to-Small transition programme

Targeted support should be given to Viable Micro enterprises to:
working capital;
accounting;
digitalisation;
technology;
quality certification;
managerial training;
market access.

20.3 Integrate GI and ODOP with MSME policy

GI/ODOP products should be connected with:
MSME registration;
design support;
packaging;
branding;
e-commerce;
quality certification;
export training;
international buyer networks.

20.4 Strengthen logistics

According to the Indian GI-export literature, the issues of transport infrastructure have a role in the realisation of GI-related export benefits.
Thus, GI promotion without the enhancement of logistics can have insignificant economic outcomes.

20.5 Strengthen export readiness

Regional businesses need to be assisted in:
IEC registration;
product standards;
documentation;
packaging;
customs procedures;
payment risk management;
international marketing;
market intelligence.

The official export-promotion platform already offers information on the process of export and ODOP in Madhya Pradesh.

21. Research Implications

A district-level empirical analysis should be conducted to follow the current study.
A panel dataset should be combined in the future to include:

Entrepreneurial variables

new MSME registrations;
cumulative MSMEs;
Micro/Small/Medium composition;
startups.

Employment variables

potential MSME employment;
PLFS employment indicators;
female labour-force participation.

Economic variables

district income;
per-capita income;

GSDP;
industrial output.
Institutional variables
bank credit;
road connectivity;
logistics;
industrial infrastructure.
GI/ODOP variables
number of GI products;
GI/ODOP exposure;
district-specific products;
export-oriented products.
Export variables
district exports;
product-level exports;
export growth;
destination diversification.
This would allow a panel model of the district-year.

22. Proposed Econometric Model

An analysis at the district level in the future can approximate:

$$[SED_{it} = \beta_0 + 1 MSMEGrowth_{it} + 2 Scaling_{it} + 3 GIODOP_{it} + 4 Finance_{it} + 5 Infrastructure_{it} + \beta_{it} + \epsilon_{it}]$$

where:

(SED_{it}) = socioeconomic development indicator;
($MSMEGrowth_{it}$) = entrepreneurial expansion;
($Scaling_{it}$) = enterprise upgrading;
($GIODOP_{it}$) = GI/ODOP exposure;
($Finance_{it}$) = access to institutional finance;
($Infrastructure_{it}$) = infrastructure/logistics;
(β_i) = district-specific effects;
(ϵ_t) = year effects.

A second model might look at intensity of employment:

$$[EI_{it} = \beta_0 + 1 MicroShare_{it} + 2 SmallShare_{it} + 3 MediumShare_{it} + 4 Finance_{it} + \beta_{it} + \epsilon_{it}]$$

This would in turn directly put to test the hypothesis that enterprise composition is linked to variation in the intensity of employment.

23. Limitations

There are a number of limitations that should be mentioned.

To begin with, the research is based on secondary government and administrative data. Udyam registration is a formal measure of enterprise registration, which is an administrative measure and should not be taken as a full measure of entrepreneurial activity.

Second, the potential employment with respect to registered enterprises is not parallel to independently verified employment.

Third, the current state-level yearly data has fairly low observations and therefore restricts causal econometric inferences.

Fourth, the exposure to GI and ODOP is significantly differentiated by products and districts and therefore aggregate state-level comparisons may be misleading.

Fifth, socioeconomic development is multidimensional and cannot be attributed to MSME growth.

Sixth, GI recognition does not in itself prove the success of exports.

These restrictions imply that the paper will only be able to form its conclusions in the form of associations, mechanisms and policy propositions, unless more robust district-level causal evidence is obtained.

24. Novelty and Contribution

There should be a conservative mention of the novelty of the study.

The article does not purport that entrepreneurship, MSMEs, GI or ODOP have never been studied individually.

Rather, it is its input of combining these dimensions within a regional framework of Madhya Pradesh.

The suggested contribution may be defined as:

In this work, the entrepreneurial entry, MSME structural composition, employment intensity, enterprise scaling, geographical differentiation and export orientation are combined within one regional structure to analyse the socioeconomic change in Madhya Pradesh. The analysis of how to differentiate between entrepreneurial entry and

enterprise progression places significant emphasis on scaling, value addition and market access in transforming enterprise formation into greater developmental results.

There is a novelty here, then, in integrating and empirically operationalising the pathway, and not in any particular variable.

25. Conclusion

The state of Madhya Pradesh is witnessing massive growth in formal MSME entrepreneurship. The fact that the number of registered businesses has grown by 155,450 in 202021 to 457,499 in 202324 proves that the formal entrepreneurial base of the state is becoming significantly enlarged.

The number of possible jobs created, though, has risen by a much more gradual rate, from 1.31 million to 2.28 million, compared to enterprise growth. The resulting drop in the fraction of potential jobs per registered enterprise gives a valuable rationale to stop using registration-based indicators of entrepreneurial progress.

The evidence indicates that the second step in the Madhya Pradesh entrepreneurship policy should be on quality and progression of the enterprise, as opposed to enterprise entry.

The key development route suggested by this paper is:

GI recognition may have the potential to enhance product differentiation, and ODOP may furnish the branding and market development with institutional assistance at the district level. However, both mechanisms can not be regarded as a self-governing determinant of exports. According to the Indian evidence, the level of GI recognition to export outcomes depends on infrastructure, the quality of institutions, market protection, and product-specific capabilities.

The policy inference is then quite evident: Madhya Pradesh must gradually transition towards a more enterprises approach to a more viable, scalable and market-linked enterprise approach.

The most promising entrepreneurial ecosystem is the one where the highest number of enterprises just enter the formal system, but where viable enterprises can move out of local economic activity to value addition, differentiation, scaling, export participation and sustainable employment.

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