

OVOP to the world: Japan's experience for regional vitalization

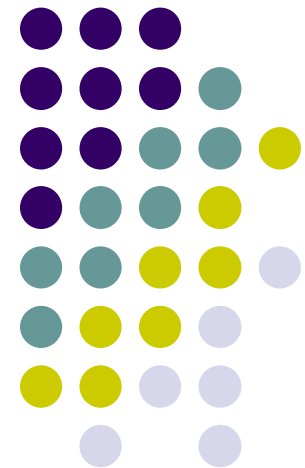
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**OVOP Workshop in Kuching,
March 2-3, 2015, Sarawak, Malaysia**



Focus in the presentation



- History of OVOP in Japan
 - The original OVOP
- Comparison of OVOP in various countries (OVOP to the world)
 - Thailand: (OTOP)
 - Malaysia: (SDSI)
 - Japan today (Possibility in the world)
- Strategy for future OVOP
 - Tiny idea for originality
 - Review of the feature of own OVOP
 - Choice of a path to a market

History of OVOP in Japan



Oita prefecture's 'One Village One Product' (OVOP) movement provides an important model of success in regional development policy. The movement encouraged and empowered local citizens to unearth opportunities for economic growth and develop local industry with a global outlook.

The first material regarding OVOP that is presented here is to understand the simple method of producing excellent regional products. Governor Hiramatsu formally began the OVOP policy by talking to municipal mayors in the Oita Prefecture in 1979. He said the following: Let's discover the special products that best represent your own town or village and deserve national acclaim. Please cultivate a theme with these special products to advance local development. I encourage you to develop new products suitable to your region, even if it may take some time. Furthermore, I ask each town and village to come up with original ideas that can be processed and marketed by themselves if possible.



Parallel OVOP movement in future (Urban access to rural through agricultural products and natural surroundings)

Mainly rural economic development
(rural access to urban)

1. Promotion of regional special products (agricultural processed products)
2. One Village One Product Fund (awarding people and groups with remarkable achievements in the movement by donations from private sectors)
3. Sales promotion (product fairs and antenna shops in urban areas)



Rural life improvement policy by Ministry of Agriculture, Forestry and Fisheries



Mainly regional characterization
(exchange of information)

1. Human resources Development in Toyo-no-kuni School (some local people who have succeeded in the movement are lectures.)
2. Introduction of OVOP movement to overseas (shearing OVOP information internationally and rural people's awakening to international market)



Original OVOP Extended OVOP

New OVOP interaction movement
between rural and urban

New OVOP



Kansai Airport
Ministry of Economy,
Trade and Industry



Mainly urban cultural diversity
(urban access to rural)



First generation's
shop and industry



Third generation's
antenna shop and inn
City Office of Commerce and Industry

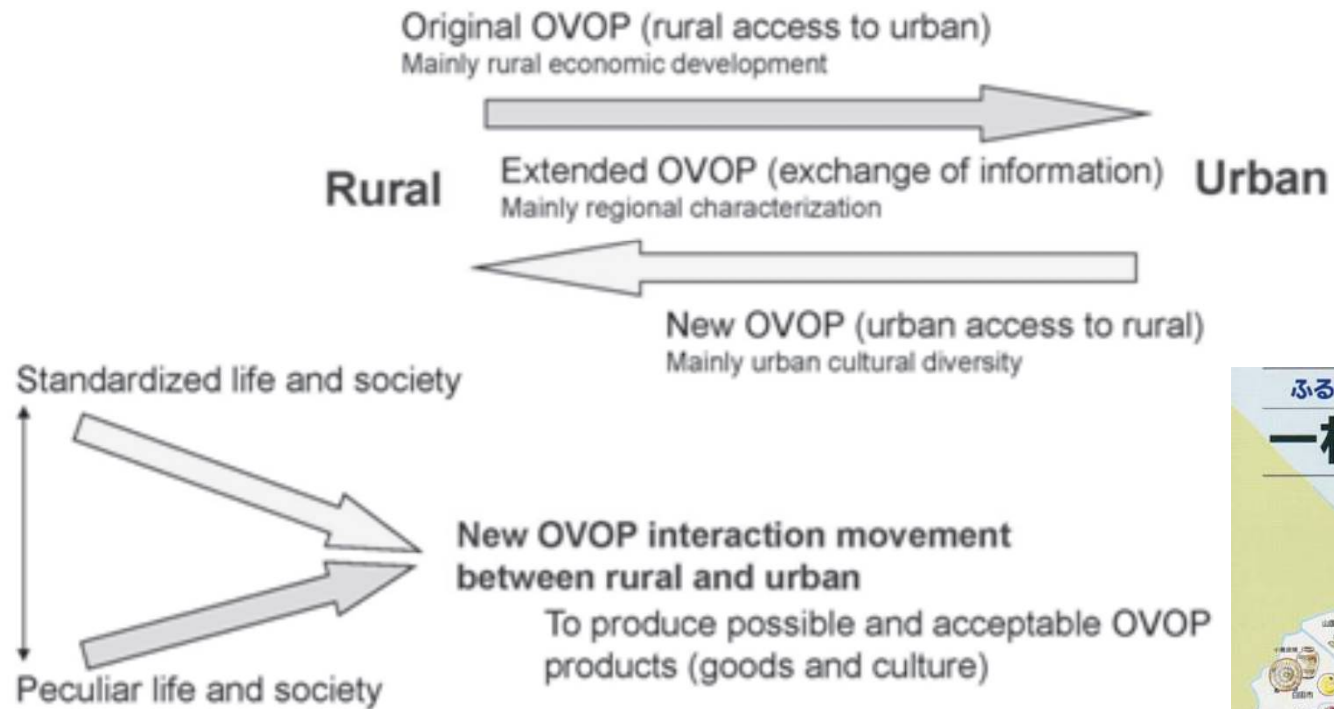
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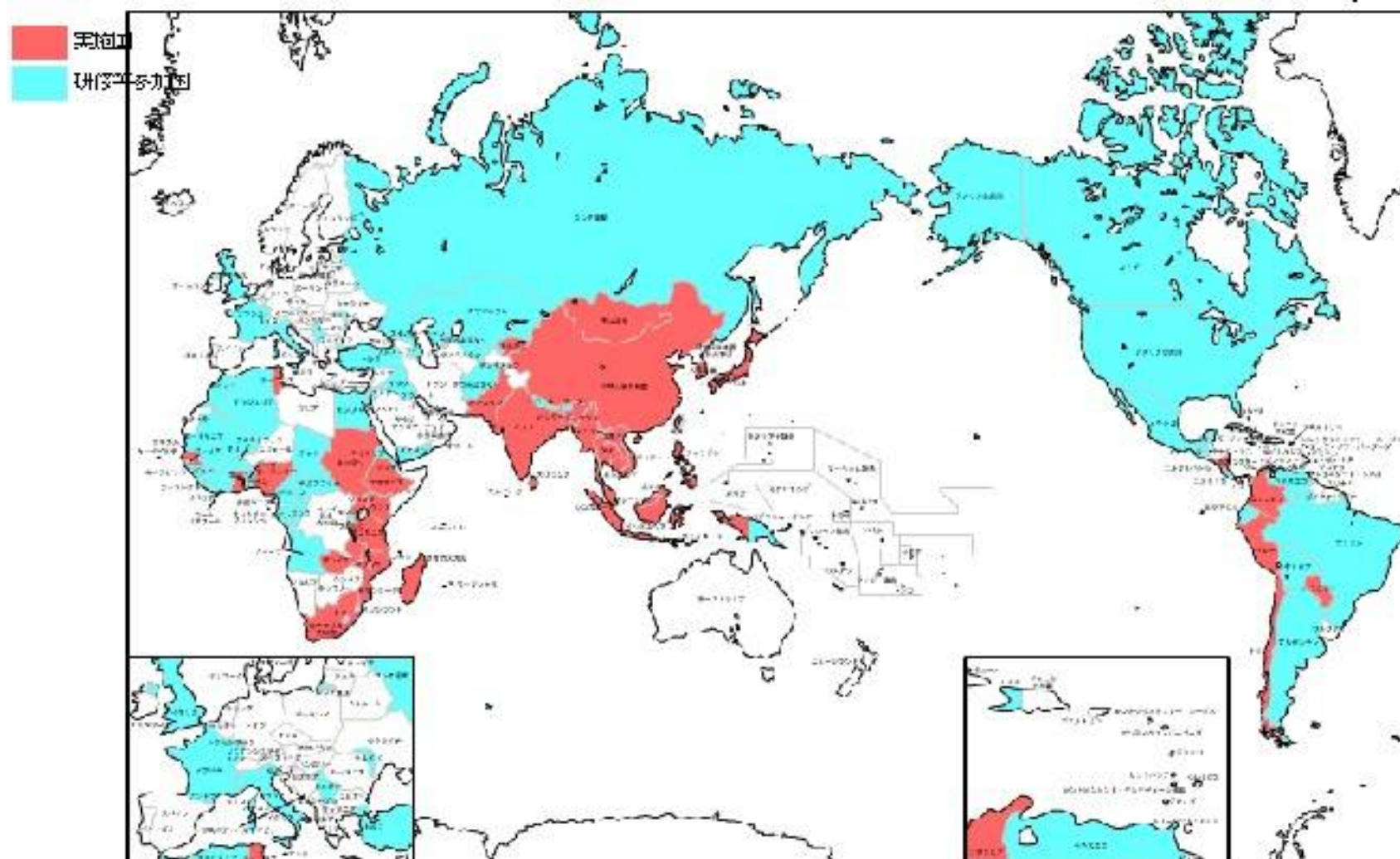
New OVOP (Interaction between rural and urban)

Purpose: Diversity of society, Mutual understanding

Movement: Cultural aspects, Interactive behavior

Policy: Characterizing regional originality, Cooperation beyond region





OTOP in Thailand (OVOP to the world) /1

(Well-organized community activity by the government)



The Features of Thai OTOP

- + **Thai OTOP** is under strong government initiatives; the movement is completely different from Japanese prototype OVOP.
- + **The movement was a central government policy** not an endogenous movement.
- + However **it is changing under the decentralization process.**

Objectives

1. To create job opportunities and increase household income in local communities
2. To strengthen community self reliance
3. To promote Thai local wisdom, culture, and norm
4. To promote human resource development

Fundamental Principles

1. Local Yet Global
2. Self Reliance and Creativity
3. Human Resource Development

Categories of OTOP Producers

1. Community based Group
2. Single Entrepreneur
3. SMEs

Categories of OTOP Products

1. **Food:** agricultural produces and qualified processed food products
2. **Beverage:** alcohol / alcohol free / instant
3. **Textile:** woven and knitted material from natural and synthetic fiber, dress and ornaments
4. **Decorative items:** wooden crafts/ woven yarn from natural and synthetic fiber/ ceramics/ bronze ware etc.
5. **Herbal products:** spa and healthcare products

OTOP in Thailand (OVOP to the world) /2



National Administration Structure

Deputy Prime Minister	Chairman
Deputy Minister of Min. of Industry	Vice Chairman
Deputy Minister of Min. of Interior	Vice Chairman
Deputy Minister of Min. of Agriculture	Vice Chairman
And other 17 members	
Director of SMEs	Member and Secretary

OTOP Mechanism at Network Level

District level : committee members are elected from representatives of every group

Provincial level : committee members are elected from representative of every district

Regional level : committee members are elected from representatives of every province

National level : Committee members are elected from representatives of every regions

OTOP Process of Registration

- + Registration of local producers as OTOP
- + Registration of OTOP groups who want to pass through classification and ranking process (OTOP Product Champion : OPC)

Objectives of Registration

- + To have an updated data base of OTOP producers
- + To have necessary information for making proper development plan

Criteria

1. Qualifications of local producers
2. Products must be unique, reflect Thai wisdom, not create any harm to the community and environment and use legal raw materials
3. Products are of 5 categories
4. Product standard: producers must submit required certified document together with the registration form

OTOP in Thailand (OVOP to the world) /3

Operation of Product Classification (OPC)

OPC was designed as a continuing phase in order to classify and rank OTOP products so as to promote opportunity for further quality development to be acceptable in domestic and global markets.



Criteria for OPC assessment

- Part A Production and strength of the community (30 points)**
- Part B Marketable (25 points)**
- Part C Product quality and potential for world market (45 points)**

Product Ranking

- 5 stars 90 points and above: Good quality. Exportable
- 4 stars 80-89 points: Fairly good quality. Nationally recognized. Exportable upon improvement.
- 3 stars 70-79 points: Average quality. Able to attain 4 stars upon improvement.
- 2 stars 50-69 points: Able to attain 3 stars. Periodically assessed.
- 1 stars Below 50 points: Product is unable to attain 2 stars due to its many weaknesses and difficulty for development.

Objectives

1. To classify and rank product level which will lead to product development
2. To develop database on OTOP producers and product profile which can be used by related parties
3. To enhance value added to local products so as to be acceptable to wider markets and create higher income to local producers
4. To strengthen active participation of local producers and the community in product development

(Example) OTOP Movement in Khon Kaen, Northeast, Thailand



Local Products

Promote outstanding products

- + Mudmee Silk
- + Sausage
- + Khao Suankwang Chicken Grill



Assessment Result OTOP Khon Kaen 2010

5 stars	19	45
4 stars	0	26
3 stars	104	92
2 stars	69	73
1 stars	77	79
	14	10
Total	283	299

OTOP Movement in Khon Kaen, Northeast, Thailand



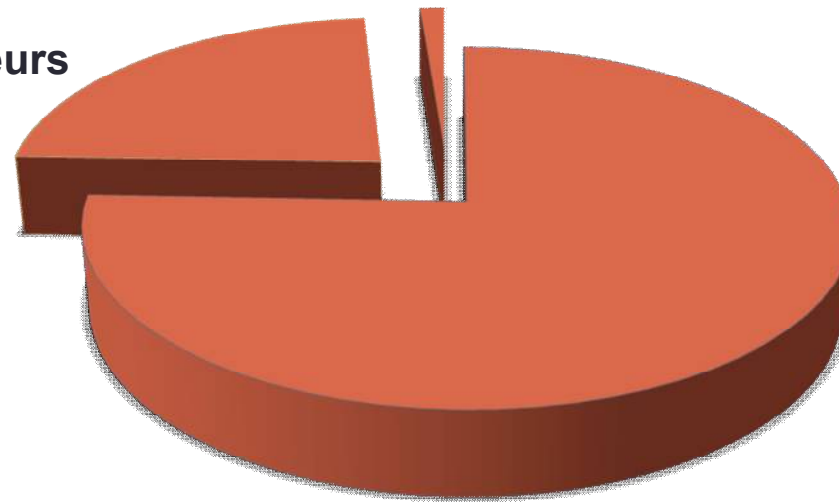
Khon Kaen OTOP Registration 2010

206 Single Entrepreneurs
23%

Total 2,397 Products

Textile/dress 1,051 products
Decorative items 568 products
Food 525 products
Herbal 147 products
Beverage 106 products

11 SMEs
1%

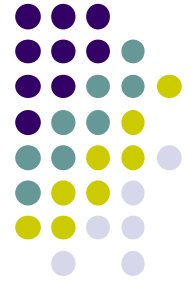


672 Community based Group
76%

+ OTOP has contributed to improving household income of community families.

(The OTOP contribution was a 2% increase of Regional GDP and 6% enhancement of employment opportunities in Northeast Thailand where OTOP is quite popular.) Takanashi (2009)

OTOP Movement in Khon Kaen, Northeast, Thailand



Remarks of OTOP

Risk Factors

- + Capability in quality control and maintain product standard
- + Ability in export management with strong branding
- + Motivation and Enthusiasm of Community based group

Achievement Factors

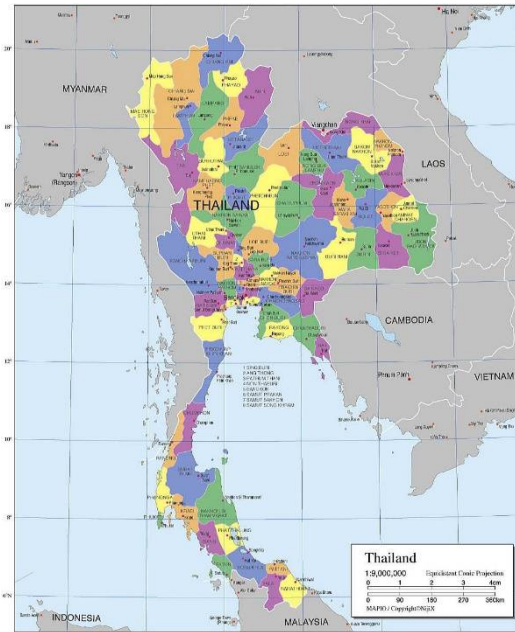
- + Community strength
- + Government commitment
- + Community participation
- + Responsive to grass roots economy
- + Department/ ministry integration
- + Strategic approach

Recommendation

There is a need to introduce social indicators (such as women's empowerment, capacity improvement of community leaders, and self realization), in addition to economic ones, to assess the effectiveness of the OTOP movement.

OTOP shop and Fair

(Province)



Khon Kaen



Rat Buri



Nan



Kanchana Buri



Si Sa Ket

(Bangkok)



(Pattaya)



The 5th OTOP Fair was organized on 7-11 January, 2015 at Preah Vihear Province, Cambodia by Si Sa Ket Provincial Commercial Office and Si Sa Ket Provincial Community Development Office.

SDSI in Malaysia (OVOP to the world) /1

SATU DAERAH SATU INDUSTRI (SDSI)

The SDSI program aims to create an identity for one district by way of developing a unique product with high potential or to offer a particular service which can be turned into an industry on a commercial scale.



In Malaysia, the OVOP movement began in the 1990s under former Prime Minister Mahathir, and has now grown into a nationwide operation in the form of the Satu Daerah Satu Industri (SDSI) initiative. It was reflected the situation that Malaysia felt necessary to narrow the big economic gap and keep balance between the advanced urban region where enjoyed striking growth and the economically and socially stagnated rural areas. In this sense, the adoption of SDSI was motivated by government intention to promote more balanced and sustainable economic development targeted by Malaysia's "Wawasan 2020" (Mission 2020) concept.

"Wawasan 2020" is the main concept of Malaysian development to pursue the strategic goal for attaining the economic level of "advanced countries" until year 2020. See " 9th Malaysia Plan 2006-2010" (Economic Planning Unit). pp. 34-43.

(Source) Kunio IGUSA, "Rural Small Entrepreneurs and SDSI Policy in Malaysia; How Malaysian Type of OVOP Functioned" (Draft 2008) with reference to ICU SDSI materials

BACKGROUND



BACKGROUND

THE EVOLUTION OF SDSI



1992 - 2003
Uncoordinated
implementation by
respective ministries

1992

SATU KAMPUNG SATU PRODUK (SKSP)
- Family business

2002

SATU KAMPUNG SATU INDUSTRI (SKSI)
- Smaller scope at village levels

2003

SATU DAERAH SATU INDUSTRI (SDSI)
- Extended scope to district and related industries for
small to medium enterprise

2004

2006

Source of power :
Decision of the Malaysian
Cabinet Meeting on 8 Disember
2004
ICU JPM is the secretariat and
lead coordinator

**Directive of
implementation of
SDSI Program 2006
was issued**

**Guidelines
implementation of
SDSI Program 2010
was issued**

SDSI MAPPING 2013

SDSi

INDUSTRY	E	P
Food	16	28
Craft	4	3
Homestay	55	3
Health	7	12
TOTAL	82	46

INDUSTRY	E	P
Food	97	30
Craft	63	8
Homestay	334	19
Health	13	12
TOTAL	507	69

INDUSTRY	E	P
Food	29	35
Craft	14	10
Homestay	209	9
Health	-	-
TOTAL	252	54

INDUSTRY	E	P
Food	99	89
Craft	200	9
Homestay	152	10
Health	8	6
TOTAL	459	114

INDUSTRY	E	P
Food	-	-
Craft	-	-
Homestay	65	3
Health	-	-
TOTAL	65	3

INDUSTRY	E	P
Food	23	20
Craft	106	13
Homestay	157	6
Health	15	1
TOTAL	301	40

INDUSTRY	E	P
Food	55	36
Craft	131	7
Homestay	259	30
Health	3	3
TOTAL	448	76

INDUSTRY	E	P
Food	59	39
Craft	41	19
Homestay	311	29
Health	2	2
TOTAL	413	89

INDUSTRY	E	P
Food	41	48
Craft	1117	17
Homestay	242	39
Health	30	7
TOTAL	1430	111

INDUSTRY	E	P
Food	32	21
Craft	16	3
Homestay	443	18
Health	5	2
TOTAL	496	44

INDUSTRY	E	P
Food	59	39
Craft	41	19
Homestay	311	29
Health	2	2
TOTAL	413	89

INDUSTRY	E	P
Food	79	77
Craft	18	10
Homestay	275	26
Health	1	1
TOTAL	373	114

INDUSTRY	E	P
Food	46	75
Craft	13	4
Homestay	115	5
Health	7	8
TOTAL	181	92

INDUSTRY	E	P
Food	257	102
Craft	14	4
Homestay	368	18
Health	12	4
TOTAL	651	128

INDUSTRY	E	P
Food	92	58
Craft	60	9
Homestay	437	21
Health	-	-
TOTAL	589	88

TOTAL

ENTREPRENEUR : 6,247

PRODUCT : 1068

SYMBOL:

E: Entrepreneur

P: Product

Japan today (OVOP to the world)

The OVOP in Oita Prefecture was terminated in 2003 when governor Hiramatsu left the office after 24 years of his administration. However the OVOP ideas continue to spread on various ways.



- Roadside station (Ministry of Land, Infrastructure, Transport and Tourism)



- 6th industrialization (Ministry of Agriculture, Forestry and Fisheries)
= 1 primary industry + 2 secondary industry + 3 tertiary industry
(PRODUCING, PROCESSING AND SELLING)



- Traditional product designated (Ministry of Economy, Trade and Industry)
By Minister of Economy, Trade and Industry and governor of prefecture



- APEC: Asia-Pacific Economic Cooperation (Ministry of Economy, Trade and Industry)

Supporting SMEs to take advantage of each locality's domestic and regional resources to develop high value-added products, and to sell to the global marketplace, through the global "One Village One Product": The 17th APEC SME Ministerial Meeting Joint Statement (Gifu, Japan, 2-3 October, 2010):

- JICA: Japan International Cooperation Agency
(Ministry of Foreign Affairs)



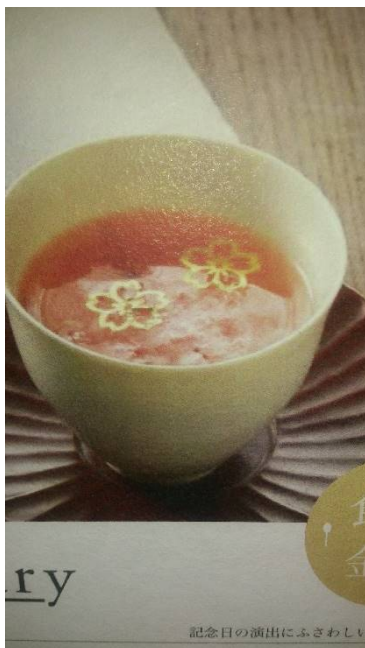
- Revival from disaster



Tiny idea for originality for future strategy



Organically grown rice developed in cooperation with a university In Nan, Thailand



Gold leaf products of Kaga district sold in a hotel shop, Japan



Review of the feature of own OVOP for future strategy

The program of evaluating OVOP by the following EOR (Evaluating OVOP Radar) Chart is offered by Think Mate Research Co. Ltd.

Regional Society axis:

Creating a regional society by a regional product

(For only one product)

Forming a regional community

(To establish identity for selfreliance)

System of local production for local consumption

(From urban to rural)

Regional Economy axis :

Creating a regional economy by a regional product

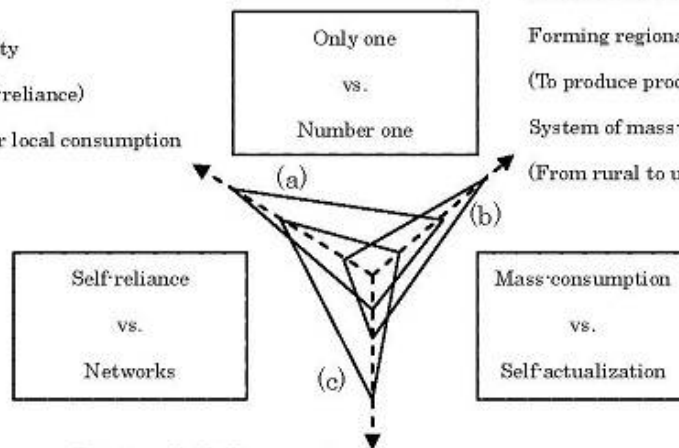
(For number one product)

Forming regional industry

(To produce products for selling in consumer society)

System of mass production and mass consumption

(From rural to urban)



Regional Culture axis :

Creating a regional culture by a regional product

(For selected one product)

Forming regional diversity

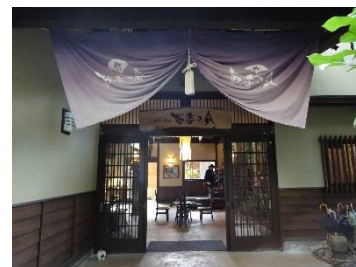
(To maintain networks for various selfactualization)

System of high variety and low volume manufacturing

(In interaction between rural and urban)



The images of three triangles in the Figure represent the effects of typical movements of the original OVOP in Oita: the activities to produce processed foods by the agricultural cooperative in Oyama town are indicated in the triangle (a); the activities to produce 'lichiko' drink by a private liquor company in Usa city are indicated in triangle (b); and, the activities to produce a sight-seeing service by the association of hotel owners in Yufuin village are indicated in triangle (c). These famous OVOP movements resulted in successful effects in all three axes in comparison to other OVOP activities, but their image is drawn to clearly emphasize distinctions among the three examples.²⁰



Choice of a path to a market for future

Strategy of producing product



Axis evaluating OVOP product		Path to market	
Regional society: Only one product	Local production for local consumption	Shops in the regional market	Urban to rural: Rural identity
Regional economy: Number one product	Mass-production and mass consumption	Shops in the national market	Rural to urban in the world
Regional culture: Selected one product	High-variety and low-volume manufacturing	Shops in the sightseeing area	Rural / urban interaction

The strategy of branding with a regional story:
Making a regional network and an attractive
product with a tiny idea that strengthen a brand



Marketing Strategy



Choice of a path to a market for future strategy/1



Choice of a path to a market for future strategy/2

(Department and Shop in sightseeing area)



Choice of a path to a market for future strategy/3

(Governmental fair or showcase)



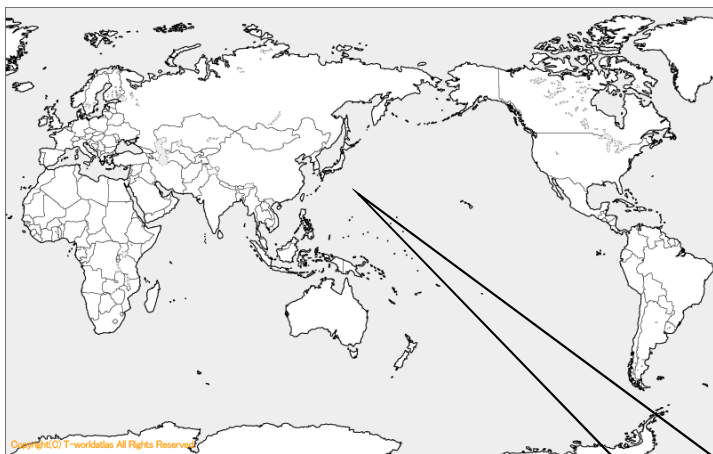
(Provincial fair abroad)



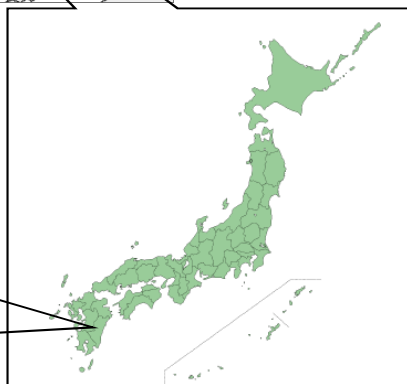
Choice of a path to a market for future strategy/4

(Roadside station)



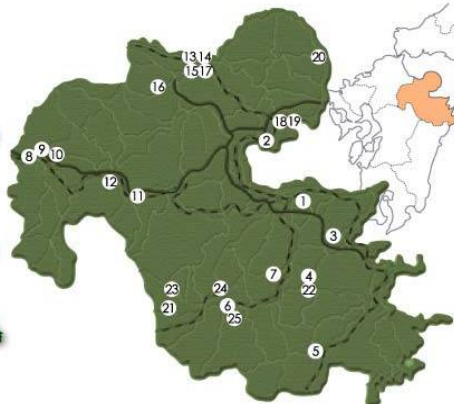


Network for product's branding

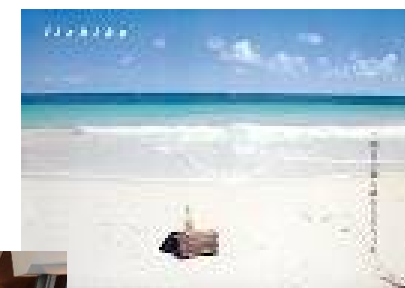


The originality of the attractive OVOP story

大分酒
OITA



- 1 大分市/道志 吉光酒造(有)
- 2 津久野市/日出町/宮田六・やづかい 二軒堂酒造(有)
- 3 臼杵市/常盤・一の井手 (株)久家本店
- 4 臼杵市/緑の森人・寛・豊後の里 藤原酒造(株)
- 5 佐伯市/ふんご太鼓・杜島(もりや) ふんご酒造(株)
- 6 豊後大野市/基安堂 基安酒造(有)
- 7 豊後大野市/基安堂 藤原酒造(有)
- 8 臼杵市/稲米酒造長・大野酒造長 ケンチャウ酒造(株)
- 9 臼杵市/時代百助・清満 島の井 (株)井上酒造
- 10 臼杵市/関渡(関)・水野の北山 長松酒造(株)
- 11 臼杵市/関渡(関)・水野の北山 八龍酒造(株)
- 12 臼杵市/関渡(関)・水野の北山 八龍酒造(株)
- 13 臼杵市/関渡(関)・水野の北山 八龍酒造(株)
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- 24 臼杵市/関渡(関)・水野の北山 八龍酒造(株)
- 25 臼杵市/関渡(関)・水野の北山 八龍酒造(株)



The cooperative strategy of SME variety



HOME

Climate & History

Tradition

Traditional Crafts

Learn by Doing

Tourist Information

Barrier Free

Foods and drinks

Event Information

Maps

Getting to Takayama

Lodging

TAKAYAMA GUIDE
Traveling Companion

JTO Japan Traveler Online
HOTEL BOOKING AND
CONFIRMATIONS ONLINE

kyokko takayama



About Hida-Takayama

Hida-Takayama has preserved the feeling of a castle town, apparent by its history-filled streets. With the latticed bay windows and linked eaves of merchants' houses in Sanmachi Suji, the enduring historical temples and shrines of Higashiyama, and the reproduction of Hida's traditional mountain farming villages of sloped-roof houses at Hida Folk Village, the town itself could be called a sightseeing spot. The Takayama festival held in spring and fall is known as one of the three most beautiful festivals of Japan (the other two are the Gion Festival of Kyoto and the Chichibu Night Festival of Saitama Prefecture). Orate floats crafted by Hida artisans are pulled around, and Takayama becomes truly energetic. When visiting Takayama, you can certainly savor the arts and culture of traditional craftsmen while enjoying the feel of the ancient city.



Takayama Festival in Spring



Mt. Norikura & Norikura Skyline



Shishimai (Lion Dance)

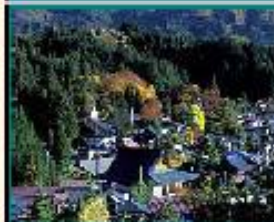
HIDA TAKAYAMA



Sarubobo Charms



Old Private Houses



Higashiyama Temple Area and Walking Course



Oku Hida Hot Springs Village

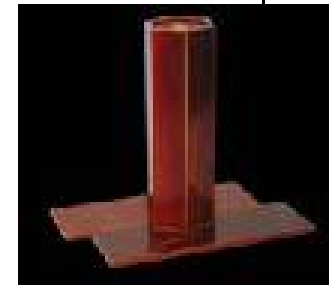


Hida Folk Village

(Takayamashi Kannkoka)

Network for cultural branding

Hida Shunkei



Introduction to Traditional Crafts (Artisan Crafts)

Ichii Ittobori (carving)

Ceramics and Porcelain



Wooden Furniture



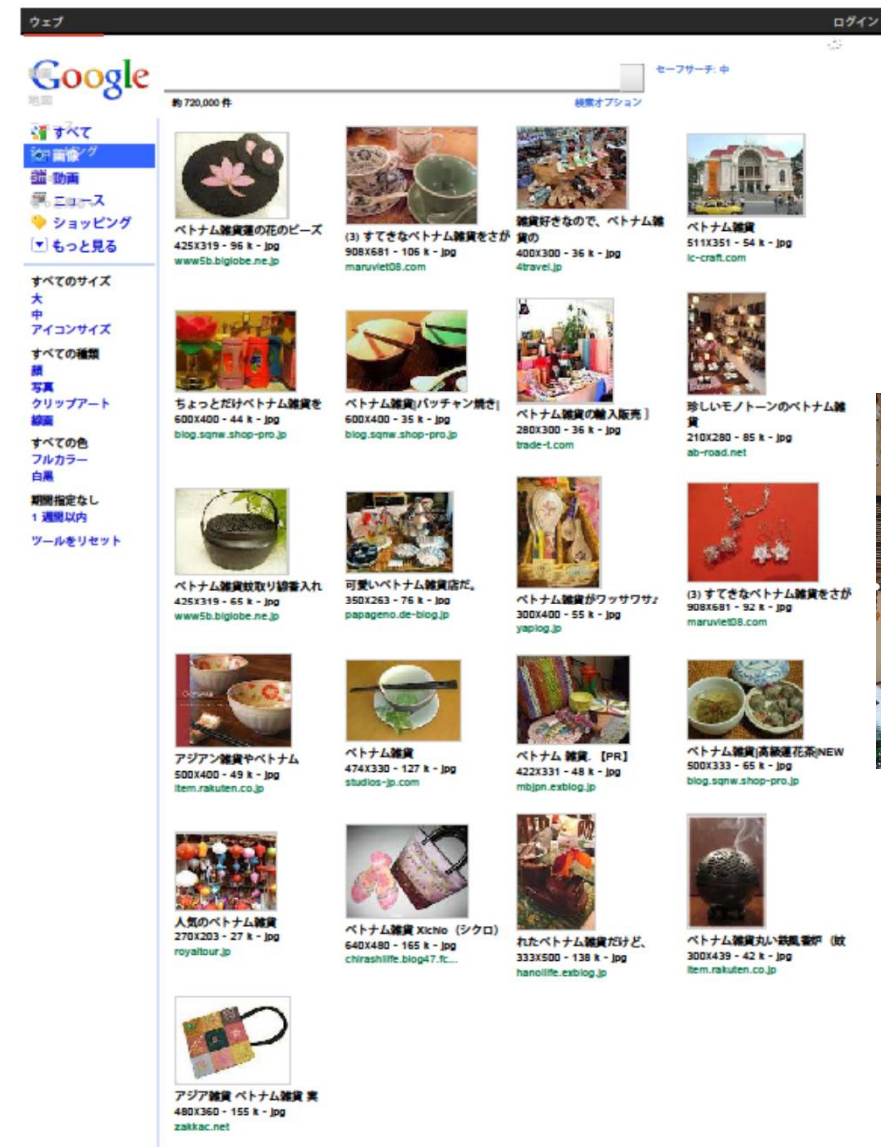
(Hida Woodworking Federation)





Network for
environmental
branding



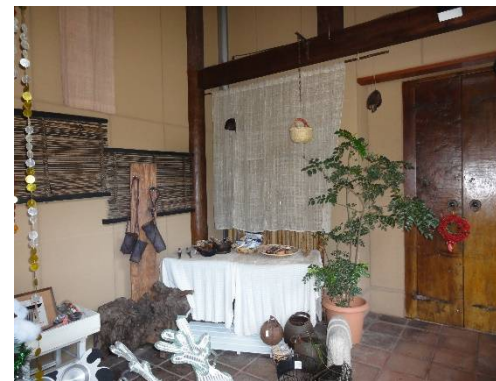


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(Google website)

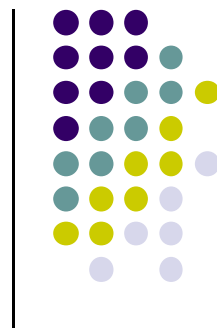


(The institute of Vietnam hand craft work)



Network for branding in product's category





END