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OVOP is 'One Village One Product'.

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Preface

Hiroshi Murayama

President of International OVOP Policy Association

I feel honored to announce dedicating Journal of OVOP Policy vol.2 to people who are interested in regional vitalization activities and policies such as OVOP (One Village One Product in Japan), OTOP (One Tambon One Product in Thailand) and other new initiatives, for an example, a sixth industry to combine the primary, secondary and tertiary industries into a sixth industry to generate new added values for the region in Japan. Although the OVOP policy executed in the local government ended in Japan, its activities and policies have been familiarized in the world, and its essence has been succeeded in various policies for regional vitalization in Japan. Therefore the academic approach with sharing the information of OVOP are expected for the advancement of regional vitalization in the world now and in future. This is the reason why this Vol. 2 is published at the web site of the International OVOP Policy Association in 2016 after the Vo.1 was published in 2008.

The OVOP movement, which is called 'Isson Ippin Undo' in Japanese, is a local government policy that formally started in Oita Prefecture in Japan in 1979 and formally finished in 2003. The OVOP policy was originated by Oita Governor Morihiko Hiramatsu in 1979 and developed for 24 years until he left the office. One of the interesting points of OVOP is the particularity of continuity and expansion of the movement even after the policy was completely finished in the period of the next governor. The continuity of local OVOP activities even in Oita has been seen outside of prefectural government policies but the essence of OVOP continues to be found elsewhere in Japan in different activities such as regional brands and the firm staying for local vitalization. The expansion of the OVOP approach has been widely adopted in Asia, Africa and South America though the movements and policies are called in the different name like OTOP. At the same time the Japanese national government has used the OVOP approach as a foreign aid strategy. In short, the OVOP approach as a policy innovation in Japan continues to expand its function that has been introduced to a number of different countries to promote a synthesized approach of various existent activities for regional vitalization.

Mr. Hiramatsu wrote more than 9 books of which subjects are OVOP and regional vitalization policies from 1982, 'Isson Ippin No Susume (Japanese)', to 2005, 'Nijyuisseiki No Chiikiriida E (Japanese)'. Though he had already had honored PhD., he decided to reconsider his OVOP idea and policies to write his doctoral dissertation in the Graduate

School of Policy Science of Ritsumeikan University. He completed the article, 'Cihojiritsu Eno Seisaku To Senryaku (Japanese)' which was published in 2006 under the supervision of me, Professor Hiroshi Murayama of Ritsumeikan University. When Dr. Hiramatsu got the PhD., he asked me to make an academic association for people who were interested in regional vitalization to discuss OVOP ideas and policies. I agreed with Dr. Hiramatsu on usefulness of the association for shearing the academic information because I had studied a lot about OVOP policies through my supervising him though I did not know anything about OVOP before I became his supervisor. Then the International OVOP Policy Association (IOPA) was founded on December 4, 2006 for researchers, public officers and professors who are interested in the OVOP and regional excellent-product policies in the world.

In 2007 the IOPA 1st Conference was held in Ritsumeikan Asia Pacific University, Beppu City Oita, Japan. The memorial journal for the establishment of Journal of OVOP Policy vol.1 is issued by IOPA in 2008. The IOPA 2nd Conference was held at Zhejiang University, Hangzhou, China in 2008 and the IOPA 3rd Conference was held in Denpasar Bali, Indonesia in 2009. IOPA was reorganized to the new structure without membership fee in order to be more internationalized association in 2009. On the other hand, since the establishment of the Non-Profit Organization, Oita OVOP International Exchange Promotion Committee (president, Dr. Hiramatsu) in 2005, the expansion of OVOP movements was accelerated towards the world with the training programs by the Committee and the International OVOP Seminars (2005-2012) managed by the Committee. IOPA aimed to shear OVOP information through the International OVOP Seminars because of the difficulty of continuing to issue IOPA's Journal of OVOP Policy. According to this purpose, the IOPA 4th Conference was organized to participate to the 7th International One Village One Product Seminar in Hanoi, Viet Nam in 2010. At the 8th International One Village One Product Seminar held in Thailand in 2012, Dr. Hiramatsu decided to declare the end of the International One Village One Product Seminar. Then I promised Dr. Hiramatsu that I continued IOPA as the president for introducing the significance of the OVOP and regional excellence ideas as long as possible. Therefore the IOPA 5th Conference was held supported by Japan International Cooperation Agency at the Institute of East Asian Studies, Thammasat University, Thailand in 2012, Afterwards IOPA participated to the OVOP Fair in Hanoi, Vietnam in 2014 and participated to OVOP Fair & Symposium in Kuching, Malaysia in 2015.

Now it seems to be necessary that to shear the knowledge of regional vitalization policies that were initiated by the OVOP originally started in Japan because the contents of OVOP and regional excellence policy reshaped in various policies of promoting

regional vitalization. Therefore The Journal of OVOP Policy vol.2 is planned to clarify new sights including regional vitalization policies, extended from OVOP or additionally rerated to OVOP, such as the policy of a sixth industry and local production for local consumption executed by Ministry of Agriculture, Forestry and Fisheries; the policy of community capacity development executed by Ministry of Foreign Affairs or Ministry of Internal Affairs and Communications ; ‘Michi NO Eki (Roadside station)’ executed by Ministry of Land, Infrastructure, Transport and Tourism; and policies of technological innovation policies for the reginal small-medium enterprise executed by Ministry of Economy, Trade and Industry. In Japan the local government’s policy of OVOP has been followed by the varieties of the national government policies.

These new policies in Japan may be introduced to other countries where the Japanese OVOP model has already been practiced or is now examined to be adopted. Therefore new knowledges regarding these policies extended from OVOP are necessary to be discussed for promoting regional vitalization. The academic approach of regional vitalization policies derived from the OVOP model is expected to restart in this Journal of OVOP Policy vol.2. The OVOP model is analyzed in the article by Rikio Kimura regarding the translation to developing countries. The significance of the global spread of the OVOP movement is discussed in the viewpoint of balanced and sustainable economic development in the article by Kunio Igusa. The special report of the “Hiramatsu Collection” is introduced by Kunio Igusa as it might be necessary for the analysis and the discussion that the materials of OVOP activities are listed. For an additional materials to understand the structure of the OVOP policies, the article written by Hiroshi Murayama and Kyomi Matsuoka and the article written by Kyomi Matsuoka in the book, *Significance of the Regional One –Product Policy: How to use the OVOP/OTOP movements* (Hiroshi Murayama ed., Thammasat Printing House, 2012), are reprinted in this vo.2. In the next vol.3, the issues of a sixth industry, local production for local consumption, community capacity development and so on may be expected to be discussed with the OVOP materials related to these subjects. This Journal of OVOP Policy vol.2 is the second step for an academic approach for future regional vitalization policies derived from the OVOP movement in the world.

Analysis of Visioning Approaches of Oita's 'Best Practice' Rural Revitalization Cases and Its Implications to the Transfer of Oita Model to Developing Countries

Rikio Kimura

Abstract

Rather than the reactive and reductionist problem-focused approach, some of Oita's 'best practice' rural revitalization cases utilized proactive and constructionist appreciative inquiry and/or the discontinuous leap approach, which *jumps out* of the existing system, for visioning their futures. This paper analyzes how Oita's 'best practice' rural revitalization cases—Ohyama, Yufuin, and Bungotakada—utilized appreciative inquiry and/or discontinuous leap approaches toward visioning their futures and unpacks how these seemingly opposite approaches complemented each other. In addition, this paper identifies main catalysts and the role of research for such endeavors, and illustrates how through the adoption of such approaches these communities made great strides toward overcoming their major problems, and, most importantly, analyzes the capacity outcomes generated by the different approaches and their implications to the transfer of Oita's rural revitalization model to developing countries.

Key Words

Community Visioning, Appreciative Inquiry Approach, Discontinuous Leap Approach, Capacity Outcomes, Developing Countries

1. Introduction

This paper analyzes how Oita's 'best practice' rural revitalization cases utilized the appreciative inquiry and/or discontinuous leap approaches toward visioning their futures¹. The first section unpacks and compares the different approaches for visioning the future of the communities. The second section illustrates three vignettes of Oita's 'best practice' rural revitalization—Ohyama, Yufuin, and Bungotakada—and then analyzes and compares those in light of the appreciative inquiry and/or discontinuous leap approaches. The third section discusses the main catalysts for visioning, the role of research prior to visioning, the implications of these approaches to problem-solving, and, most importantly, the capacity outcomes generated by these approaches and their implications to the transfer of Oita's rural revitalization model to developing countries. In addition to reviewing the existing literature, data for this paper was collected during the study tours and community lectures conducted in Ohyama and Bungotakada for the JICA training on rural revitalization for the government administrators from ASEAN countries² and Chile³.

2. Approaches for Visioning the Future of Communities

The author identifies two approaches for visioning the future of communities, which are based on the two distinctively different perspectives. Those are the appreciative inquiry approach and the discontinuous leap approach. Before delving into these visioning approaches, it is useful to add the problem-focused approach when comparing the visioning approaches and their underlying perspectives, while the problem-focused approach itself is not really a visioning approach. It is also worth unpacking the problem-focused approach since one of the expected outcomes of visioning is to eventually overcome major problems in a community.

The problem-focused approach is a *weakness-based* approach. Metaphorically speaking, in this approach, one views *the glass half-empty*: i.e., the glass is only half filled. In other words, this approach assumes that a community has only half of what it needs. Therefore, community problems are to be solved toward filling the other half of the glass. This problem-focused approach has been proved useful for refining and improving quality, as evidenced in Japan's *Kaizen* (continuous improvement) process developed in such a corporation as Toyota (2009 Hosono). *Kaizen* is done through the continuous PDCA cycle that consists of four stages of Plan, Do, Check and Act. In the PDCA cycle, particularly, *Muda* ("Doing without effective results, no effect on use; Useless") of the various stages of procedures and operation are carefully examined for improvement (Tanaka 2005, p. 1). However, solving problems is the center of this approach and hence this approach is *adaptive* and *reactive* to ever occurring problems. It is also *reductionistic* in the sense that everything is reduced to problems. Moreover, it is *negativistic* in the sense that (negative) problems are the focus of the approach and thus, in using this approach, people tend to feel negative rather than positive.

In contrast, the appreciative inquiry (AI) approach⁴ is a *strength-based* approach that affirms the existing strength, capacity, and resources of a community. Metaphorically speaking, one sees that the glass is already *half-full* (with necessary resources: e.g., material, finance, knowledge). Therefore, people in the community can further expand what they

already have toward betterment. This approach is a social *constructionist* approach that assumes that our languages can create shared positive meaning toward reality (Mathie and Cunningham 2003; Finegold, et al. 2002; Barge 2001; Whitney and Trosten-Bloom 2003). AI looks at the successes and the best of the past and the present experiences instead of failures and negative experiences⁵. The successes and the best naturally give energy and enthusiasm to people and community and therefore AI is the process of *locating energy for change* (Elliot 1999; Whitney and Trosten-Bloom 2003). Such positive aspects of reality are utilized toward the creation and generation of the preferred future. Therefore, AI marks a sharp contrast with the *reductionist* and *negativistic* problem-focused approach.

Unlike the AI approach that inquires about ‘the best of what is’ in order to envision ‘what could be,’ the discontinuous leap (DL) approach “suspend(s) existing reality to free their creative imaginations from the constraints of ‘what is’ in order to dream ‘what could be’” (Frantz 1998, p. 173). Analogously speaking, the AI approach resembles ‘grand travel,’ while the DL approach resembles ‘space travel.’ Appreciative inquirers or “‘ground travelers’ confine their expectations for the most part to the assumptions, constraints and possibilities of social realities that already exist” (ibid. p. 174) and “[f]uture possibilities generated from within the constraining assumptions of existing reality tend to be much less imaginative and innovative” (ibid. p. 177). In contrast, for those who use the DL approach or ‘space travelers,’ “leaping over the creativity barriers (the existing cognitive paradigms) brings them to the realm of the imaginative and creative” (ibid. p. 178) (parenthesis added).

Frantz (1998) identifies an anxiety barrier—the fear and uncertainty of being detached from one’s cognitive paradigms, which those who use the DL approach need to overcome. Possible sources of such an anxiety include:

- (a) “the realization of how deeply disappointing it would be to find out that one’s yearnings were foolishly unrealistic;”
- (b) “leaping to something better means losing valued aspects of present reality, such as the security of the routine and the familiar;”
- (c) “Facing an existential void, as existing reality is left behind” (p. 179).

Table 1 Comparison of Three Approaches

| | Problem-Focused | AI | DL |
|-----------------|-------------------------------|---------------------------------------|---|
| Assumption | Weakness | Strength | The Unseen, The Impossible |
| Focus | What is wrong? | What is the best of the past/present? | ‘What could be’ beyond the constraint of the reality? |
| Characteristics | Adaptive, Reductive, Negative | Generative, Creative, Positive | Creative, Imaginative |

Source: Kimura (2010)

3. Vignettes

This section illustrates three vignettes of Oita’s ‘best practice’ rural reutilization and then analyzes these in light of their application of the AI approach and/or the DL

approach. Those three vignettes include: Ohyama-town (now part of Hita-city), Yufuin-town (now part of Yufu-city), and Bungotakada-city. Ohyama and Yufuin are the archetypes of the One Village One Product (OVOP) movement initiated by the then governor of Oita prefecture, Morihiko Hiramatsu, while Bungotakada is one of the most recent 'best practice' cases of the OVOP movement. All these three communities were in desperate and destitute situations characterized either by chronic poverty (i.e., Ohyama and Yufuin) or by a declining economy (i.e., Bungotakada). The author uses these vignettes not only because they are model cases, but also because interestingly rather than using the problem-focused approach, they used either the AI approach or the DL approach, or both of them in a complementary manner and as a result, they made great strides toward overcoming their major problems.

Each vignette focuses on its initial attempt of visioning toward revitalization, while it should be noted that the subsequent and continuous efforts to 'keep up' their developmental momentum have been made until the present. The reasons for this are:

- (a) To highlight how these desperate and destitute communities made great strides toward overcoming their major problems through their initial attempts of visioning; and
- (b) To identify and analyze *capacity-based* outcomes that were generated as a result of initial visioning and became the cornerstones for their sustainable revitalization.

3.1. Vignette 1: Ohyama-town

Ohyama was the poorest rural town in Oita prefecture fifty years ago. 80% of its land is mountainous and many of villagers engaged in cutting down trees from the mountains or worked as seasonal labors (Hibiki-no-Sato 2008; Yamagami and Fujimoto 2006). They only had small plots for farming. The population of Ohyama in 1961 was 6,168 (Yamagami & Fujimoto 2006).

Looking at this destitute condition of the community, in 1961 the charismatic then mayor of Ohyama, Harumi Yahata, initiated the First New Plum and Chestnuts (NPC) Movement, the purpose of which was to improve the economy of farm households by planting plum and chestnuts trees. After two years of extensive and thorough investigation inside the community and all over Japan, Yahata encouraged farmers to shift from their traditional rice farming, which was aligned with the government policy of that time, to the production of plums and chestnuts thereby earning a high rate in terms of land (Hibiki-no-sato 2008). Part of the reason why Yahata pushed this initiative was that wild plum and chestnut trees already grew in Ohyama and he saw it as feasible to shift agriculture in this region to the production of plums and chestnuts.

Under the leadership of Yahata, the municipality of Ohyama played an important role in fostering this movement. The municipality assisted farmers by stopping its on-going and new projects and investing most of its resources in this initiative in the form of the provision of seedlings, a large tractor, two bulldozers (including operators for those machines), and 13 out of 30 municipality staff members for technical assistance (Yamagami and Fujimoto 2006). The first NPC movement was against the government policy that

promoted rice farming at that time (Hibiki-no-sato 2008; Yamagami and Fujimoto 2006). Under such adverse circumstances, Yahata convinced and trained (through regular study workshops and occasional tours to model community development cases) the staff members of the municipality of Ohyama town to fight against upper government bodies toward their own policy making (H. Ogata⁶, personal communication, June 25, 2008).

Yahata eagerly and continuously persuaded farmers to adopt plum and chestnuts tree planting. As mentioned, the first NPC movement was against the government policy that promoted rice farming at that time. Moreover, “[t]here was also the social stigma that farmers were not really farmers unless they cultivated rice” (Hibiki-no-sato 2008, p. 2). Older farmers were particularly opposed to this initiative. Therefore, Yahata strived to persuade young farmers and then those young farmers in turn persuaded their parents. Yet, overall, the condition of the town was so poor that everyone felt that they needed to do something (M. Yahata⁷, quoted in Yamagami & Fujimoto, 2006).

By the late 1960s, despite some initial difficulties⁸, the first NPC movement had already contributed to the income of Ohyama farmers to a certain extent. In 1967, 500 farmers engaged in plum planting and this generated a total income of 10,000,000 yen. As for chestnuts, in 1966, 465 farmers engaged in chestnuts planting and this generated a total income of 15,000,000 yen (Yamagami and Fujimoto 2006).

Following the first NPC movement, the once-fatalistic-Ohayama has ventured into new dimensions of agricultural production and new initiatives. Farmers in Ohyama have further diversified their agricultural production so reducing the risks of mono-cropping as well as earning stable incomes. Currently, farmers grow more than 120 agricultural items including Japanese plums, plums, *enoki* mushrooms, watercress, grape and herbs (Yamagami and Fujimoto 2006; Ohyama Agricultural Joint Cooperative 2008). These agricultural items are processed (and thus value-added) and marketed through Ohyama Agricultural Cooperative’s outlet shops with a lower commission rate than average (ibid.). In addition, a new initiative such as green tourism was also launched (Ohyama Revitalization Section of Hita-city Municipality n.d.).

3.1.1. Analysis of Ohyama

The first NPC movement of Ohyama took the DL approach. It introduced plum and chestnuts tree planting, which farmers neither produced nor imagined that they would ever produce. Put another way, Ohyama suspended the existing reality of the unproductive rice production in order to dream ‘what could be’ with plums and chestnuts toward the betterment of each household and the community.

Yet the first NPC movement also contains the element of the AI approach. Yahata *appreciatively inquired about* the reality that wild plum and chestnuts trees grew in Ohyama—an existing potential—and scaled these indigenous plants up through persuading farmers to adopt their production and through the intensive assistance from the municipality.

It was charismatic Yahata who functioned as a main driver of this initiative. His determination to gain farmers’ *buy-in* as well as to invest most of the resource from the municipality enabled this movement to take off. His foresight, based on extensive and

thorough research, allowed this movement to bring prosperity to Ohyama as he had envisaged. His strong leadership also enabled Ohyama to stand firm despite the fact that this movement was against the government policy that promoted rice production. Finally, his strong leadership was also indispensable in alleviating *the anxiety barrier* of farmers to leap to *the unseen*. In Ohyama's case, one source of such an anxiety is the realization of how deeply disappointing it would be to find out that farmers' undertaking of growing plum and chestnuts toward betterment was foolishly unattainable particularly in light of its contrary stance against government policy. Second, leaping to something better means losing valued aspects of present reality. In Ohyama's case farmers saw not planting rice as a *social stigma* and it was particularly difficult for old farmers to forgo the security of the routine and the familiar.

3.2. Vignette 2: Yufuin-town

Yufuin-town was a rural town of 11,407 before it merged with two other towns toward making Yufu-city in 2005. Yufuin is a natural basin surrounded by the mountains—the most impressive one is the Mount Yufu—and its number and volume of the hot springs is ranked 2nd in Japan following its neighbor Beppu-city. However, until 30 years ago, it was a desolate rural village with agriculture and forestry sectors, while neighboring Beppu was established as a major hot spring resort attracting a large number of visitors domestically as well as internationally.

In 1973 three young hotel owners of Yufuin, who strongly felt that something needed to be done to revitalize this rural village, traveled to Europe to find good models of rural communities so that they could use insights gained from such models toward revitalizing Yufuin. In Germany, they found the small hot spring resort with a similar size to Yufuin, which *created, nurtured, and protected nature, space, and quietness* (Kitani 2004). Based on the insights and inspiration from this resort, they formulated the 'conception for a residents'-life-based-resort'; in other words, the best resort is where its residents can also live comfortably (Kitani 2004; Nishikawa 2006). Appreciatively inquiring about what Yufuin had, they identified the rural scenery with the Mount Yufu and rice fields in the basin as a resource to be promoted and nurtured (Nishikawa 2006; Kobayashi 2005; Kitani 2004). This local resource also allowed Yufuin to be differentiated from Beppu and now Yufuin attracts nearly four million visitors a year (Kitani 2004; Nishikawa 2006). Also under the 'conception for residents'-life-based-resort,' Yufuin residents held various events and study workshops toward the revitalization of Yufuin, thereby creating a vital civic culture (Nishikawa 2006).

The main driver for the initiative to revitalize was the hotel owners (Matsuo 2005). For example, they organized another tour to Germany for 20 Yufuin residents including the then mayor (Kitani 2004). Those hotel owners later established the Yufuin Tourist Association that has been promoting tourism in Yufuin.

3.2.1. Analysis of Yufuin

The AI approach was taken for the revitalization of Yufuin. Yufuin was already *half-full* with the quiet rural scenery with the Mount Yufu and rice fields in the basin. This local resource was identified and used to attract visitors. The basis of the use of this resource

is 'the conception for a residents'-life-based-resort,' which was formulated as the result of the trip to Germany by the hotel owners and subsequently recognized by Yufuin residents widely. This conception generated 'civic-mindedness' among Yufuin's residents.

The main actors were the hotel owners (the private sector) and they mobilized residents toward the revitalization of Yufuin. In fact, the Yufuin Tourist Association established by those hotel owners have been so active and vigorous that it de facto embraced some part of public and governmental functions and therefore Mitsumoto (2007) even calls it "the private government" of Yufuin.

3.3. Vignette 3: Bungotakada-city

Bungotakada is a rural city of 25,000 in the Oita prefecture. Due to the expansion of large stores and a lack of successors caused by outmigration to urban cities, the city (commercial) center has become desolate since the 1970s. It was even called, 'the dog-cat streets,' indicating only dogs and cats walked in the city center (Y. Yasuda⁹, personal communication, July 29, 2008; also Masuda 2007).

Given this situation, since the early 1990s, the Chamber of Commerce and Industry of Bungotakada and some retail shop owners at the city center started planning an initiative for commercial revitalization (Commerce, Industry and Tourism Section of Bungotakada City 2008). Through extensive and thorough research, they found that the city center was prosperous until the Showa 30s (1950-60) and 70% of buildings there were built before the Showa 30s (Y. Yasuda, personal communication, July 29, 2008; also Masuda 2007). As a result, they came up with the idea of creating of a retro modern city (Commerce, Industry and Tourism Section of Bungotakada City 2008). To further this idea, they visited communities that had similar initiatives throughout Japan and gained insights from them (Y. Yasuda, personal communication, July 29, 2008). Then in 2001 the Town of Showa was opened and it now attracts 360,000 visitors a year.

The Town of Showa has been created through utilizing and renovating its local resource—mainly, its shops' buildings built prior to the Showa 30s. For their appearances, this initiative restored the original state of buildings by changing aluminum materials to wooden materials used for doors and windows (Commerce, Industry and Tourism Section of Bungotakada City 2008). The shops also changed their signboards to the ones made of wood or tinsplate used in the Showa era. Two-thirds of the expenses necessary for the restoration come as subsidies from the municipal, prefectural, and national governments (Y. Yasuda, personal communication, July 29, 2008).

It is worth unpacking here who are actors in this initiative and how they are related. At the beginning, several shops owners and residents took an initiative for revitalization, then soon after the Chamber of Commerce and Industry assumed the main coordinating and mobilizing role. The municipality of Bungotakada has been playing the enabling role through e.g., the provision of subsidies for the renovation of the shops' appearances (Y. Yasuda, personal communication, July 29, 2008).

It is also important to add that this initiative eventually mobilized many residents in Bungotakada toward revitalization. At first, not all the shops embraced this initiative, but later an increased number of shops joined such an activity as the restoration of their

buildings. For instance, in 2001 only nine shops had restored their shop appearances, but by 2007 the number of the restored shops increased to 41. In terms of non-merchants, elderly residents volunteer to serve as tour guides for the Town of Showa. Also one individual resident, who has a large and valuable collection of the Showa era toys, now generously allows them to be displayed at one of the buildings in the museum complex opened in 2005, which attracts many visitors (Y. Yasuda, personal communication, July 29, 2008; also Masuda 2007).

3.3.1. Analysis of Bungotakada

The AI approach was taken for the creation of the Town of Showa. The Chamber of Commerce and Industry, together with some retail shop owners at the city center and the municipality of Bungotakada, appreciatively inquired about the city center's history—the successes and the best of the past—and its existing buildings—a latent local resource. Eventually, those were utilized toward the creation of the retro modern Town of Showa.

However, Bungotakada's case appears to contain the element of the DL approach. While the utilization and renovation of historically valuable buildings and landscape is generally both reasonable and natural given their long and recognized history¹⁰, it is rather unreasonable and unnatural to give focus back to the Showa 30s, which was not widely recognized by its residents, let alone outsiders. It seems to require the element of leap to come to the conclusion to utilize the past prosperity of fifty years ago. Stated another way, one needs to suspend and transcend existing reality to dream 'what could be' with their glory of fifty years ago. With regard to this phenomenon, Frantz (1998) points out, "In practice evolutionary visioning approaches (e.g., the AI approach) often help existing systems to move in the direction of their 'impossible dreams' even as discontinuous leap visioning is going on" (p. 181).

The main catalyst for the creation of the Town of Showa (e.g., through the research efforts inside and outside the community) was the Chamber of Commerce and Industry. Through its initiative and efforts, not only the merchants at the city center but also other segments of population were mobilized toward the revitalization of the city center. As for the government sector, the municipality of Bungotakada has been playing a supportive role for this revitalization (e.g., through the provision of subsidies).

Table 2 Comparison of Three Vignettes

| | AI | Relationship between AI & DL | DL |
|-------------|-------|---|-------|
| Ohyama | ++ | AI as an implicit underpinning for DL | +++++ |
| Yufuin | +++++ | Only AI was used | |
| Bungotakada | +++++ | AI moved the existing system to the direction of DL | ++ |

Note: + indicates the degree to which a respective approach was employed. The more are there +s, the more a respective approach was used.

Source: Adapted from Kimura (2010)

4. Discussion

4.1. Catalysts

In all the three vignettes there exist the main catalysts, who took an initiative, casting the visions of revitalization, and mobilizing residents toward the realization of such visions. Those include either leaders (the then Ohyama mayor and the hotel owners in Yufuin) or an organization (the Chamber of Commerce and Industry in Bungotakada). The mobilization of residents toward the realization of a vision is actually a key element of visioning. Gertler and Wolfe (2003) state that visioning “go[es] beyond the presentation of scenarios (however stimulating these may be), and beyond the preparation of plans. What is crucial is the elaboration of a guiding strategic vision, to which *there can be a shared sense of commitment (achieved, in part, through networking processes)*” (*emphasis added*) (p. 47).

4.2. The Role of Research¹¹

Extensive and thorough research was done to formulate their visions for revitalization. The destinations of such research not only include the other communities/regions in Japan but also overseas. Interestingly, even the cases that used the AI approach, which explored the existing strengths and resources within the community, also conducted the research *outside* their communities. Yufuin’s revitalization started from the trip to Germany, and prior to formalizing the concept of the Town of Showa the research trips to the other communities with the similar initiatives were necessary in Bungotakada’s case. Paradoxically, the case of the DL approach, which jumps out the existing system toward imagining ‘*the unseen*’, still needed to *see* what was happening in the other parts of Japan with respect to what they were going to initiate in order to assess the feasibilities of such initiatives. The then Ohyama mayor traveled all over Japan to find appropriate agricultural products.

4.3. Expected Outcome and Implications to Problem-Solving

All the cases did not take the problem-focused approach. Ohyama and Yufuin did not just attempt to increase its long-practiced rice and forestry production. Bungotakada did not attempt to just modernize their city centers. Rather, they took the AI approach, the DL approach, or a combination of these approaches. Put another way, they either explored the existing strengths and resources or ‘the unseen’ and ‘the impossible.’ Through these approaches, these communities made great strides toward overcoming their major problem—i.e., reducing poverty through increased income generation (for Ohyama) and the increased number of visitors (Yufuin and Bungotakada), thereby achieving the expected outcomes.

Existing literature has started unpacking why the AI approach is more effective than the conventional problem-focused approach. For example, Miyoshi and Stenning (2008) point out that:

Setting realistic community objectives and striving to achieve them using the resources available is essentially a less difficult task than focusing on a negative aspect (problem) in the community and attempting to ‘solve’ it...[Appreciative inquiry] is more realistic to make progress with rather than ‘problem-solving’

which denotes negation, criticism and making difficult change to ‘fix’ the problem (p. 41).

This comparative advantage of the AI approach, in part, derives from the fact that successes, strengths, and locally available resources give energy, enthusiasm, and healthy pride to people. “Just as plants grow towards their energy sources, so do communities...move towards what gives them life and energy” (Mathie and Cunningham 2003, p. 478). Moreover, AI’s asset-based attribute (the emphasis on ‘what is there’) helps people logically and naturally move on toward better utilizing existing resources.

In contrast, beyond the constraints of the existing reality, the DL approach enables communities to freely vision their preferred futures. This approach brought Ohyama economic prosperity among other betterments.

In summary, both the AI approach and the DL approach are more creative and proactive endeavors than the problem-focused approach. The AI approach entails the serious investigation into the past and current successes and available resources toward the better utilization of those. The DL approach requires the strategic foresight based on solid feasibility studies to leap into ‘the unseen’ realm. These mark a sharp contrast with the reductionist and reactive problem-focused approach

4.4. Capacity Outcomes

In addition to their contribution to the achievement of the expected outcomes, the initial visioning approaches taken by these communities also contributed to the enhancement of their *capacity outcomes*. A capacity outcome is not only an *end* itself but also a *means* to induce further positive changes in a community. Capacity outcomes pertinent to these three communities include:

Economic Domain:

- The capacity to maintain or enhance economic vitality (Beckley, Martz, Nadeau, Wall & Reimer 2008; Mog 2004);
- The capacity to diversify farm operations and livelihood strategies (Mog 2004; Fowler 2000);

Political Domain:

- The capacity to maintain autonomy and assertiveness in formal political systems (Fowler 2000);
- The capacity to access resources from the state¹² (Beckley, et al. 2008; Mog 2004);

Social Domain:

- The capacity to create or maintain vital civic culture (Beckley, et al. 2008; Fowler 2000);

Ecological Domain:

- The capacity to maintain ecological integrity (Beckley, et al. 2008; Mog 2004; Fowler 2000).

In the following paragraphs the author analyzes what capacity outcomes were directly enhanced by the initial visioning approaches taken by these communities.

Economic: Since their initial visioning, all these communities have been

maintaining their economic vitality until the present as evidenced in the current high income level of Ohyama residents and the current large number of annual visitors in Yufuin and Bungotakada. In particular, it is noteworthy that from the first NPC movement, once fatalistic Ohyama farmers gained the capacity to diversify farm operations and livelihood strategies, thereby enhancing economic vitality.

Political: During the first NPC movement the municipality of Ohyama (more specifically the municipality of Ohyama-town) acquired the capacity to maintain autonomy and assertiveness toward prefectural and national government bodies. In a similar vein, the Yufuin Tourist Association that was formed by the hotel owners gained the capacity to maintain autonomy toward its municipal government. In contrast, in their efforts to restore the shops' appearance to that of the Showa 30s, Bungotakada (more specifically the Chamber of Commerce and Industry of Bungotakada-city) obtained the capacity to access subsidies from the state.

Social: Under the 'conception for residents'-life-based-resort,' Yufuin residents have been holding various events and study workshops and thus it can be concluded that Yufuin gained the capacity to create or maintain vital civic culture. In Bungotakada, the involvement of more residents in the activities of the Town of Showa appears to indicate that Bungotakada gained the capacity to create or maintain vital civic culture to a certain extent. Gertler and Wolfe (2003) state that the "civic culture' is important for building a shared vision and goal for the region and in promoting the kind of networking and interaction that contribute to innovation" (p. 49).

Ecological: In its appreciatively inquiring about the rural scenery as a resource for revitalization, Yufuin has been promoting the stability and healthy function of balanced ecosystems. Examples of Yufuin's capacity to maintain ecological integrity include its experimental initiative to limit traffic density in 2002 (Kobayashi 2005), the creation of *the Guidebook of Yufuin Architectural and Environmental Design*, which suggests to its residents as to how to build architectures in harmony with Yufuin's nature and landscape (ibid.), and the voluntary study group on the reduced use of pesticides and organic farming (Nishikawa 2006).

Table 3 Capacity Outcomes Generated After Initial Visioning

| | Ohyama: DL (AI) | Yufuin: AI | Bungotakada: AI (DL) |
|---------------------------|-----------------|------------|----------------------|
| <i>Economic</i> | | | |
| Economic Vitality | X | X | X |
| Diversification | X | | |
| <i>Political</i> | | | |
| Autonomy | X | X | |
| Accessing State Resources | | | X |
| <i>Social</i> | | | |
| Vital Civic Culture | | X | X |
| <i>Ecological</i> | | | |
| Ecological Integrity | | X | |

Source: Created by the author

4.4.1. Implications to the Transfer of Oita Model to Developing Countries

Promoting Oita's rural revitalization model, more specifically, the One Village One Product (OVOP) movement, in the developing country context has been criticized for a number of reasons. For example, the adoption of the OVOP model by Thailand and Mongolia focused on just the development and marketing of products rather than a more holistic human and community development (Fujioka 2006; Igusa 2006). The OVOP in Malawi was merely viewed as one of the low-interest loan schemes (Yoshida 2006). Along the same lines, the application of the OVOP in the developing country context was generally treated as a 'project' rather than a 'movement,' which illustrates the OVOP more accurately, due to its short-term orientation as a government-led initiative (Matsui 2006a; Yoshida 2006). In addition, Igusa (2008) points out that overseas OVOP initiatives tended to foster dependency on the central governments and Fujioka (2006) particularly highlights that the OVOP in Thailand was strongly led by its central government rather than emerging as local initiatives.

Given this context, Matsui (2006b) and Igusa (2008) rightly emphasize the process where continuous innovations occurred endogenously (rather than particular products or one-time-events) as a more important lesson from the original OVOP movement. What this means in terms of visioning is that while the immediate outcomes resulting from initial visioning should be appreciated, it is more critical to understand how such initial visioning generated *capacity outcomes* in the economic, political, social and ecological spheres of the communities, which has been inducing sustainable endogenous innovations.

One of the ways to transfer the concepts of the OVOP to developing countries as part of Japan's international cooperation has been to train government administrators from such countries by inviting them to visit and see the actual OVOP cases and to provide conceptual frameworks through the specialists' (e.g., university professors) lectures¹³. Given the criticisms for the OVOP transfer to developing countries and the importance of the OVOP as continuous innovation processes mentioned above, these training sessions should be geared toward developing these government administrators as *orchestrators* for such processes rather than the *imposers/promoters* of particular products or the *implementers* of 'an OVOP project,' whether they are situated at the central or local government level.

Igusa (2006 & 2008) recognizes people's "affirmative awareness" on local (often latent) resources and assets as the first step in the OVOP-type community development. In other words, the orchestrators of any OVOP initiatives should be able to enable people to appreciatively inquire about community strengths, resources, assets and histories. In more practical terms, it is essential for such orchestrators to learn how to ask proper questions to enable such an appreciative inquiry process. For instance, instead of asking what people need to fix in order to increase the agricultural production, they should learn to ask such a question as *what local resources and strengths people can use more to enhance our livelihoods*. In a similar vein, instead of asking what people need to fix in order to increase the number of visitors, they should learn to ask such a question as *what historical successes and resources people can use and innovate in order to make the community more attractive*.

In contrast, in terms of the DL approach, it is essential for orchestrators to enable

people to make a leap from the existing reality in their thinking and to ask questions toward that end. For instance, instead of asking how people can increase long-practiced rice production, they might ask *if rice production is really the only way to go* (the challenging of an assumption or accepted concept) and *what can be alternative income generating activities* (the deliberate generation of alternative ways of looking at things) (de Bono 1970). To challenge the constrained views of people, it may be also useful for such orchestrators to organize tours to other ‘model’ communities for people to gain external insights and viewpoints as the then Ohyama mayor did so through the research outside the community.

It is important to remember though that power, knowledge, perceived status, and/or money of government administrators can affect the AI process (Grant & Humphries 2006; Elliot 1999) and the DL process alike. For example, it is natural that government administrators cannot easily/readily let go of authority or step out of role in AI (Elliot 1999) and DL processes alike. Under such power dynamics, government administrators may need to self-critique their own attitudes:

Are participants able to openly choose the discourse/vocabulary with which they construct their realities and negotiate meanings, or are these discourses/vocabularies ‘chosen’/imposed on them in a manner reminiscent of the vast impersonal systems of control/power identified...? Or, in the case of an overt commitment to ‘the positive’ by a zealous appreciative inquirer, a silencing of potentially emancipatory critique (Grant and Humphries 2006, p. 415).

Given this power asymmetry between government administrators and normal citizens, perhaps a more effective yet radical way to go about training intervention may be to invite and train someone like competent farmer leaders or NGO activists, who are more indigenous to communities and active in the frontline of community development efforts, to function as *catalysts* for community visioning and continual endogenous innovation processes as Matsui (2006b) suggested. Their insider or quasi-insider statuses might help the visioning process become more endogenous and embedded in their communities. In the three cases examined in this paper, leaders or an organization indigenous to the communities indeed function as catalysts for initial visioning and subsequent community efforts to keep up innovation momentum.

5. Conclusion

Through analyzing three vignettes of Oita’s ‘best practice’ rural revitalization cases, this paper illustrates how those communities chose to use either the AI or the DL approach, or to actually use both in a complementary manner toward visioning their futures. There are some common factors among these three communities. First, there existed main catalysts—leaders or an organization—for casting a vision and mobilizing residents toward a shared sense of commitment to the vision. Second, each community conducted extensive and thorough research prior to visioning its future, which was either done by the main catalysts themselves or organized by them.

Through the AI and DL approaches, these communities made great strides toward overcoming their major problems. AI’s positive character gives people energy and enthusiasm and its asset-based attribute helps people logically move on toward using

existing resources. In contrast, the DL approach enables people to envision beyond the constraint of the existing reality. Both the AI and DL approaches are more creative and proactive endeavors than the problem-focused approach, which is reductionist and reactive.

The different visioning approaches taken by these communities contributed to the enhancement of the various capacity outcomes that have been inducing further positive changes in these communities. This suggests an alternative way to transfer Oita's rural revitalization model to developing countries through training intervention. That is to equip government administrators with skills and attitudes, which effectively enable community visioning and continual endogenous innovation processes, toward their functioning as orchestrators of such processes. A more effective yet radical way to go about training intervention may be to train competent community leaders or NGO activists, who are more indigenous to communities, as catalysts for such processes toward endogenous community development.

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¹ This paper is based on Kimura (2010). The author modified it by focusing on Oita's rural revitalization cases and by aligning the whole manuscript with the newly added sections of capacity outcomes and their implications for the transfer of Oita's rural revitalization model to developing countries among the other modifications.

² Training Course in Community Capacity and Rural Development—Focusing on One Village One Product, which, through the training of key administrators, aimed at building economic, social and political capacities of communities.

³ Training Course in Enforcement of Regional Administrative Function for Local Industrial Promotion, which, through the training of key administrators, aimed at building economic, social and political capacities of communities, thereby improving economically disadvantaged regions within Chile.

⁴ David Cooperrider and his colleagues at Case Western Reserve University originally developed AI for the purpose of organizational development in the 1980s. There has been the growing evidence of its application beyond the organizational development arena e.g., community development (Hammond & Royal, 1998; Finegold, Holland and Lingham, 2002). However and interestingly, as seen in the

subsequent sections, some of Japan's rural revitalization cases already utilized the essence of AI prior to the conceptual development of AI or without knowing the existence of the notion of AI.

⁵ The standard process of AI consists of: (a) Appreciating and valuing the best of "what is"; (b) Envisioning "what might be"; (c) Dialoguing "what should be"; and (d) Innovating "what will be"⁵(Cooperrider & Srivastva, 1987). An alternative naming of this process is the 4D-process consisting of Discovery (Appreciating), Dream (Envisioning), Design (Dialoguing), and Destiny/Delivery (Innovating) (E.g., Whitney and Trosten-Bloom, 2003).

⁶ A former staff member of Ohyama municipality.

⁷ Counselor for Ohyama Agricultural Cooperative.

⁸ For instance, after three and four years of planting, it became apparent that some of the provided plum seedlings were useless (Oita Prefecture One Village One Product 21 Promotion Committee 2001).

⁹ Head of Commerce, Industry, and Tourism Section of Bungotakada City

¹⁰ Examples of such cases include Nagahama-city (Shiga-prefecture) and Kawagoe-city (Saitama-prefecture).

¹¹ Kimura (2009) contains the further analysis on the role of research from the perspective of endogenous development.

¹² Nishikawa (2007) argues that accessing resources from the state does not undermine local autonomy when a community cannot launch a development initiative with its own resources alone and thus the state provides supports to the community's self-help initiative.

¹³ The author is one of those lecturers who conduct a training session to government administrators from developing countries at Ritsumeikan Asia Pacific University.

Rural Small Entrepreneurs and SDSI Policy in Malaysia

; How Malaysian Type of OVOP Has Functioned

Kunio IGUSA

Ritsumeikan Asia Pacific University

Introduction

The “One Village One Product” (OVOP) Movement, pioneered in Oita, Japan in the 1970s, is a relevant model to foster local-based industry, to develop distinctive regional products, and to revitalize local communities themselves. Today it is practiced not only in Japan, but throughout Asia, Africa, and other parts of the globe, and has been established as a key strategic approach for the development of rural areas in less developed nations. Recognizing the potential of OVOP to form part of a new scheme of economic cooperation for developing nations, the Government of Japan has been taking steps to formulate a transnational OVOP movement linked to the stimulation of foreign trade activity.ⁱ Activity surrounding the global spread of the OVOP movement is a fruitful source of insights into the reinvigoration of local economies losing their vitality facing rapid urbanization and centralization, and the formulation of unique policy scenarios for rural development in developing nations.

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 Industry (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. ⁱⁱ

With these issues in mind, the author conducted the field research in 2008 to examine the SDSI policy – the Malaysian version of OVOP, and nature of rural entrepreneurship under the scheme.ⁱⁱⁱ

In this survey, the author has tried to analyze the several issues about SDSI and local entrepreneurs in the paper. These are: (1) the nature of the SDSI policy as envisaged by the Malaysian government; (2) the current state of the rural entrepreneurs targeted by the policy; (3) the perceptions of local residents and their attitudes towards SDSI schemes; and (4) the problems and issues of current Malaysian SDSI and its implication to other type of OVOP in the developing countries. The ultimate purpose is to identify

the key issues and challenges surrounding the ‘OVOP Movement’ in Malaysia, and give suggestions to the similar challenges in other countries today.

Certainly the constraint of usable research resources, time and scale might bring shortcomings to the survey. Nevertheless, the findings could shed light some on the state of rural entrepreneurship, characteristics of SDSI, and the impact of the policy on local communities in Malaysia. The author sincerely wants the paper will be benefited for the people who are involved and interested in the OVOP Movement in the developing countries.

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1. Profile of Malaysia’s SDSI Policy

1-1 Outline and Structure of the SDSI Policy in Malaysia

The first OVOP-style movement addressing the issue of local industrial revitalization in Malaysia was the one called “***Satu Kampung Satu Produk: SKSP***” (One District One Industry) program launched in 1992 in then-Prime Minister Mahathir’s home state of Kedah in the north of the country.

The prototype for SKSP, the original OVOP movement in Oita, had been advocated by former Governor of Oita Prefecture Morihiko Hiramatsu since the 1970s, and had become deeply rooted as a model for local industrial development in rural areas of Japan. Various profiles are shown in Hiramatsu’s OVOP Movement, but in essence, it stimulates local residents to make aware of economic resources lying in their communities, to take continuous efforts in developing these potentials. And thereby, it expects to increase their economic values of product and service which are acceptable to the global marketplace. And ultimately it purposes to signify the process and endeavor which have raised self-esteem and self-improvement of people in the community, as well as fuels growth and development of the local area industries.^{iv}

These scopes of the OVOP movement in Oita were appreciated by Malaysia government in 1990s under the leadership of Prime Minister Mahathir. The Malaysian version of the movement soon grew into a program for nurturing local industries in the northern state Kedah of Malaysia. That Malaysian initiative attracted the other local governments as well, including Terengganu, Johor and Pelak. Within Kedah itself, a

hands-on training facility, the “Kedah-Oita Human Resource Development Center”, was established to foster personnel to sustain the OVOP movement in the long term.

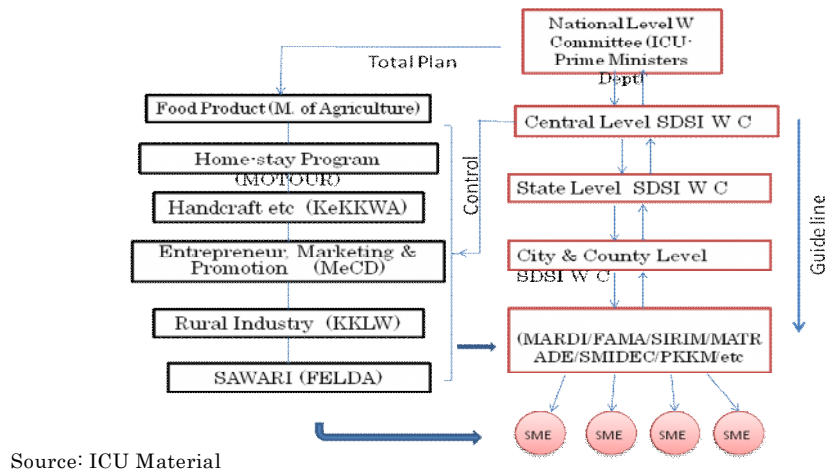
In 2002, ten years the launch of the OVOP movement in Kedah, the decision was taken to roll out a nationwide “One Village One Industry” initiative in Malaysia. This was formalized by the Cabinet in 2004 as the ***Satu Daerah Satu Industri (SDSI)*** Program. The Implementation Coordination Unit (ICU) of the Prime Minister’s Department was assigned to bear responsible for its promotion and advancement. The SDSI Program was interpreted as an expansion of the earlier SKSP movement, and developed by reference to the nationwide OVOP-style program in Thailand known as **One Tampong One Product (OTOP)**.

1-2 SDSI implementation and policy framework

In order to step forward SDSI to the practical stage, after 2004, the government instituted national and agency-level committee centered on the ICU of Prime Minister’s Department, and set up the representative committees consist of other departments and agencies (National Committee, Agency-level Committees and Working Committees). The State Committees and District/Divisional Committees were also established at local level. These committees are charged with implementing the Programs, providing direction and guidance, and overseeing on-ground activities. This structure is summarized below. (Figure 1)

Responsibility for the Program is divided into many fields, including food products (Ministry of Agriculture*MOA), tourism and homestays (Ministry of Tourism: MOTOUR), product development and marketing (Ministry of Entrepreneur & Co-operative Development), rural business advancement (Ministry of Rural & Regional Development: KKLW), and handicrafts (Ministry of Culture, Arts & Heritage: KeKKWA). All functional activities brought together under the purview of the ICU. Parallel to these national structures are the state-level committees that coordinate activities in the actual regions where SDSI is implemented. There is also clear delineation of how agents engaged in support at the implementation stage, such as the SME Bank and the Small and Medium Industries Development Corporation (SMIDEC), which are in charge to furnish assistance in practice. The figure below explains this administration system of SDSI.

Figure 1 Organizational Structure of Malaysian SDSI Policy



For example, the Food Product Working Committee under the MOA is assigned the tasks of selecting products that would raise income for local residents, by dealing with overlap problems among products, and handling issues of quality control and environmental impact. The Entrepreneurship Development Working Committee, the purpose of which is to foster local entrepreneurs, is entrusted with the implementation of training programs and public information campaigns to impart the knowledge necessary for successful entrepreneurship, the provision of manufacturing technology and ICT know-how, and the delivery of supporting measures for business creation of potential rural entrepreneurs. MECD, a major player in SDSI, convenes the Marketing & Promotion Working Committee, which is responsible for commercialization and promotion of products, as well as organizing value-adding promotions, guidance and product exhibitions.

There are also many organs working to implement the Program closer to ground level. These include the Standards and Industrial Research Institute of Malaysia (SIRIM), which furnishes technical assistance and incubation functions; the SME Bank – provision of business capital; SMIDEC – organizing start-up support and seminars for small and medium enterprises; the Malaysia External Trade Development Corporation (MATRADE) – export promotion; and others.

Malaysian government has proposed the following five overarching objectives in the implementation of SDSI policy:^v

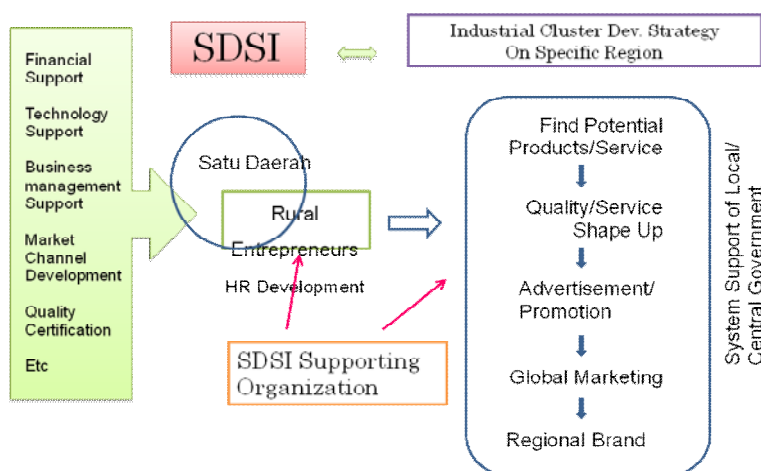
- (1) To develop one or two products/services which reflect the identity of the district and uniqueness of its products, with the purpose of increasing the income of the local community.

- (2) To focus on a business model orientation which is more sustainable and progressive with high value added chain.
- (3) To use a new concept based on the Cluster approach, by clustering all related activities within the area: this helps to enhance and improve the value of the products.
- (4) To identify products based on the availability of raw materials in the respective districts.
- (5) To create fixed income by producing one or two products/services commercially.

In summary, SDSI can be understood as an policy line which takes initiative to increase the availability of business opportunities for rural and regional residents who have no business experience and a waning desire to engage in market-oriented economic activity, to extend their income sources to products and services within their own communities, and to foster a new class of ‘rural entrepreneurs’ among rural and regional dwellers whose engagement in economic activity has traditionally been passive rather than active.

In the framework, the residents of each “one region” (Satu Daerah) under SDSI can be expected to obtain governmental program supports through many administrative bodies. This comes in a variety of forms, including capital, technology, management and marketing, and it targets at product and service lines with high potential and oriented to the cultivation of local entrepreneurs. Organized policy direction and assistance is furnished so that these entrepreneurs can increase the commercial viability of their products and services through development and augmentation, to the point that they are competitive in global markets.

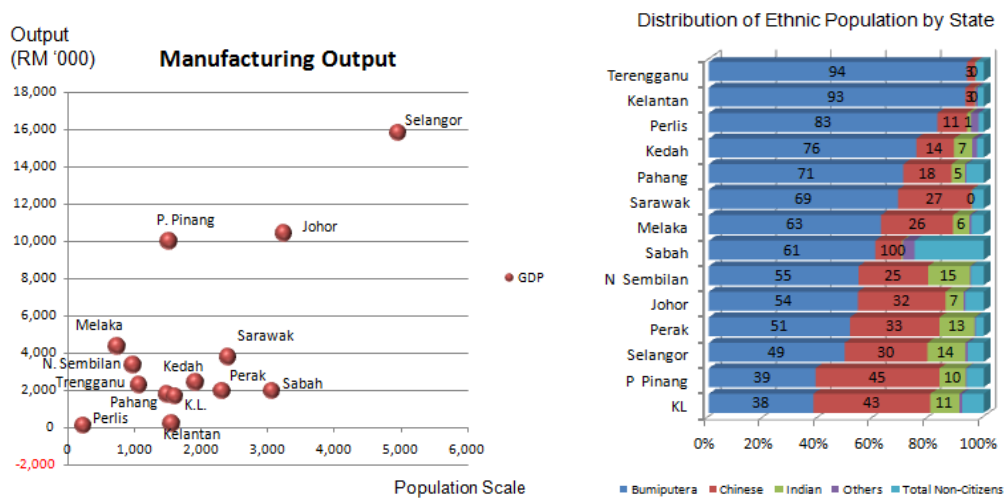
Figure 2 Strategy of SDSI in Malaysia



Source: Produced by the author with reference to ICU SDSI materials

There are thus many points of similarity with the OVOP movement in Oita. But at least the one point should be highlighted that Malaysia is the apparent location of SDSI, within the government's *Bumiputera policy*, which is aimed at enhancing the economic status of ethnic Malays who account for the vast majority of rural dwellers in Malaysia. They could never expand their business activities effectively compared with ethnic Chinese in urban areas. The economic position of local rural residents and proportion of Malay people are shown in the figure.

Figure 3 Economic Position of State and Ethnic Proportion



Source: Bank Daerah Negeri –Daerah 2007 (Govt. Malaysia)

1-3 The SDSI Policy in practice

Having outlined the overall policy framework above, we now turn to examine actual activity under SDSI. The following lists show the scope and initiatives targeted under the SDSI policies.

SDSI Program Targets and Areas

- (1) Daily Product Manufacturing
 - Food products, beverage products, textile products, ceramic and metal products, utensils, etc
- (2) Handcraft and Traditional Arts Product Manufacturing
 - Wood carving, paper arts, textile craft, clay pot, etc
- (3) Tourism and Service Business
 - Home stay program, souvenir shop, etc
- (4) Agricultural Products

- Fruit and vegetables, herbs, etc
- (5) Other Activities
- Massage, transportation services, daily services, etc

Based on these indicative targets, the number of SDSI projects which have been advanced in the each State of Malaysia is described in the Table 1. That is, the registered SDSI entrepreneurs and firms under ICU in 2008 account for 3196, and recorded number of projects are 1037 as a whole.

Table 1 Number of Firms and Programs under the SDSI

| Number of Participate Firms under the SDSI Policy in Malaysia | | | | | | |
|---|--------------|-----------|----------|------------|---------|-------|
| | Food Product | Handcraft | Homestay | Healthcare | Service | TOTAL |
| 1 Perlis | 21 | 2 | 13 | 3 | - | 39 |
| 2 Kedah | 88 | 42 | 159 | 9 | 3 | 301 |
| 3 Pulau Pinang | 11 | 8 | 203 | 3 | - | 225 |
| 4 Perak | 25 | 102 | 135 | 1 | - | 263 |
| 5 Selangor | 52 | 67 | 353 | - | - | 472 |
| 6 N. Sembilan | 33 | 34 | 138 | 3 | - | 208 |
| 7 Melaka | 44 | 27 | 134 | - | - | 205 |
| 8 Johor | 12 | 70 | 261 | - | - | 343 |
| 9 Pahang | 98 | 52 | 167 | 2 | - | 319 |
| 10 Terengganu | 16 | 113 | 91 | 1 | 11 | 232 |
| 11 Kelantan | 93 | 142 | 125 | - | - | 360 |
| 12 Sabah | 24 | 38 | 20 | 1 | - | 83 |
| 13 Sarawak | 13 | 35 | 49 | - | - | 97 |
| 14 Labuan | | | 49 | | | 49 |
| Total | 530 | 732 | 1897 | 23 | 14 | 3196 |
| Source: Arranged by Author based on ICU SDSI materials | | | | | | |

| Number of Products/Programs identified as SDSI in Malaysia | | | | | | |
|---|--------------|-----------|----------|------------|---------|-------|
| | Food Product | Handcraft | Homestay | Healthcare | Service | TOTAL |
| 1 Perlis | 27 | 2 | 2 | 3 | - | 34 |
| 2 Kedah | 28 | 34 | 7 | 8 | 1 | 78 |
| 3 Pulau Pinang | 11 | 8 | 11 | 3 | - | 33 |
| 4 Perak | 18 | 78 | 9 | 1 | | 106 |
| 5 Selangor | 51 | 18 | 18 | | | 87 |
| 6 N. Sembilan | 31 | 30 | 7 | 4 | | 72 |
| 7 Melaka | 46 | 27 | 10 | | | 83 |
| 8 Johor | 7 | 18 | 26 | | | 51 |
| 9 Pahang | 99 | 31 | 12 | 2 | | 144 |
| 10 Terengganu | 8 | 112 | 5 | 1 | 2 | 128 |
| 11 Kelantan | 39 | 48 | 6 | | | 93 |
| 12 Sabah | 22 | 31 | 21 | 1 | | 86 |
| 13 Sarawak | 14 | 18 | 7 | | | 39 |
| 14 Labuan | | | 3 | | | 3 |
| Total | 401 | 455 | 144 | 23 | 3 | 1037 |
| Source: Arranged by Author based on ICU SDSI materials | | | | | | |
| Note: Homestay and other Service Area are program umber registered. | | | | | | |

From these data it can be seen that governmental organs are involved across a wide range of fields, and that an assortment of incentive programs are being undertaken in each state of Malaysia, illustrating the fact that SDSI is being advanced on a nationwide scale under ICU. We can't say that the above lists do not reveal exactly what the local firms are really achieving the original goal in practice, but they do underline how broadly extent of the government's commitment to SDSI. With over 500 registered enterprises each, food products and handcrafts stand paralleled as two of the major

fields, but it is the area of homestays that accounts for the overwhelming share – over 1,800 enterprises. These proportions suggest that just as much attention is being given to advancement of local tourism as is to product development.

However, the major pillar of SDSI would be the commercial and product making fields by local residences. Then the number of food product firms account for 530, handcraft making firms are 732 in number, and the designated products number of both is 401 and 455 respectively. In the handcrafts, Perak, Kelantan, and Terengganu are strong, and in the food industries, Pahang, Kedah, and Melaka are prominent and have a lot of varieties and the firms involved in the field are also numerous. Sabah and Sarawak are famous and excel in traditional handcraft making.

1-4 SDSI Promotional Goods and Programs in the case of Melaka and Kelantan

The each State has a promotional scheme for their own, but the real nomination of the specific products and services to be targeted are executed by the unit of Daerah/District in the State. That is why it is called as “Satu Daerah Satu Industri” in a sense.

In the case of Melaka, the four Daerah selected major products as their intensive supporting business. For example, in the Alor Gajah has promoted the rattan weavings and its basket, copper products, batik in the handcraft, and traditional Malay cake “Kuih Selayang”, seasoning “Kurma” and “Kekio”, processed rice cookie “Tapai”. The Jasing District has nominated the decorated sandals, traditional Malay hats, frozen food “Roti Boom”, confectionary “Kerpok Lekor”, “Kuih Bankit, habited local food “Inang-Inang”, herb product and others.

The Kota Baharu District in the northern peninsula State Kelantan, batik, silver ware, health food “Halia Mas Cotek” were famous, and Bachok had the bamboo handcrafts, health drink using Rosella, traditional food “Kerepek Sagu”, “Sagon”, “Bepang”, fish processed products “Serding Ikan” and others.

To some extent, these promotional products are well known from the beginning as unique local commercial goods across the country. There are many local residents to be involved in the manufacturing and commercial activities of these products, and they have formed the collective producing and trading area for the products even the scale is so small. One of the goals of SDSI policy seems to reactivate these producing areas through cultivating potential field, renovating products, globally commercializing them, to lead for creation of the Regional Brand.

,

Table 2 SDSI Promotional Product by District (Daerah) in Malaysia
: Melaka and Kelantan

| | State | Daerah (District) | Handcraft | Food & Beverage |
|--|----------|-------------------|---|--|
| | Melaka | Alor Gajah | Rattan Weavery & Baskets, Copper Handcraft (Pewter), Batik, | Traditional Confectionary (Kuih Selayang), Seasoning (Kurma, Kelio, etc), Dipping Sauce (Kuih Udang Alor Gajah), Rice Cookie (Tapai), Honey |
| | | Jasin | Beads Handcraft, Beaded Shoes, Traditional Malay Hat, | Frozen Food (Roti Boom, Char Kuih), Mini Cracker (Keropok Lekor), Traditional Confectionary (Kuih Bangkit, Maruku, Kacang, Suji, Sagu Bakar), Traditional Food (Inang-Inang), Yogurt, Herbal Juice |
| | | Kandang | | Glutinous rice Balls |
| | | Melaka Tengah | Sandal, Rattan Handcraft | Glutinous Rice Ball (Dodor) Traditional Sauce Vinegar (Cili, Tiram, etc), Manggo Juice, Honey Product (Membekal), Fried Spicy Fish Cake (Otak-Otak), Traditional Tea (The Misal Kucing) |
| | Kelantan | Kota Baharu | Batik, Silver Ware, Metal Ware, | Health Product (Halia Mas Cotek), |
| | | Pasir Mas | Rattan Craft, | |
| | | Tanah Merah | Rubber Tree Leaves Crafts, | |
| | | Tumpat | Bamboo Craft | Health Juice (Jus Noni, Cenkudu), Anchovies Sauce, Traditional Food (Budu, Krispi Bilis) |
| | | Bachok | | Rosella Juice (Rosella, Halwa), Traditional Food (Kerepek Sagu, Sagon, Nise, Bepang), Fish Product (Serdin Ikan, Seruding Ikan) |
| | | Kuala Krai | Pottery Product | Traditional Cracker (Maruku, Kerepek Ubi, Popia) |
| | | Machang | | Traditional Sauce (Pencicah, Perencah Tandoori, Rojak Buah) |
| | | Pasir Putih | Screw-Pine Craft | |
| | | Gua Musang | | Health Product (Misai Kucing), Fruit Juice |
| | | Tendong Pasir Mas | Metal Craft | |
| | | Jeli | | Fermented Fish (Ikan Pekasam), Cili Sauce (Pencicah, Sos Tomato Cap Lada) |

Source: material at OVOP International Seminar 2008 at MITC-Melaka, Nov. 2008)

1-5 The Example of SDSI Programs to be implemented

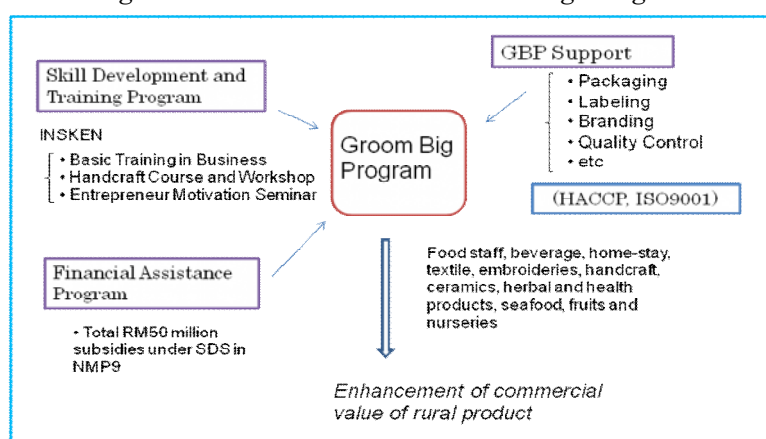
The paragraphs below introduce two programs that are being advanced by MECD, the Ministry of Entrepreneur and Co-operative Development: the Groom Big Program and the Women Franchise Program in the case..

(1) Groom Big Program

As well as seeking to improve the quality of goods themselves, this product development program is oriented to broader market preparation issues, including packaging, labeling, brand development and other value enhancement strategies. It addresses the process from production through to market presentation. The aims are to raise the reliability of goods produced in rural communities under SDSI, and to build these goods into more visibly identifiable products. To this end, government support is provided for the development of production skills, training, and cultivation of

entrepreneurial spirit. The National Entrepreneurship Institute or INSKEN, a MECD subordinate body, organizes workshops and seminars for program participants, as well as conducting promotional campaigns. The national government has allocated 50 million ringgit for these initiatives under the 9th Malaysia Development Plan. The expectation is that activity under the Groom Big Program will lead not only to domestic sales but to new export markets outside Malaysia. This scheme is outlined below.

Figure 4 Outline of the Groom Big Program



Source: Author based on MECD materials

(2) Women Franchise Programme (WFP)

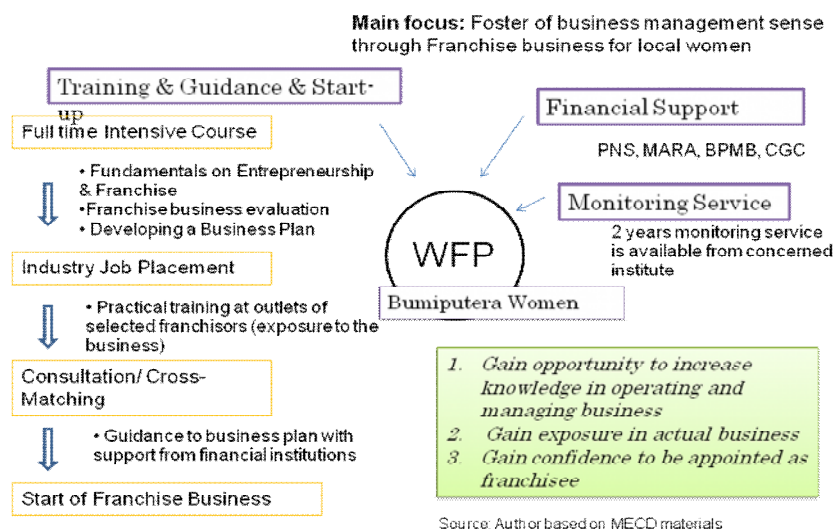
This is an initiative for advancing the economic involvement of women in rural areas, particularly Bumiputera. By employing a franchise scheme, it seeks to endow these women with expertise in the production of goods and know-how for commercialization. The involvement of local women provided an important stimulus to the OVOP movement in Oita prefecture. Likewise, the **Women Franchise Programme (WFP)** prepared a similar framework for the application of women's power to the industrial advancement and enterprise creation in Malaysia.

The aim is to provide rural women with expanded knowledge and practical exposure to business through a series of training and sharing experiences among them. Actual involvement in business and experience of business operations enables the women to gain greater awareness of their roles as suppliers, develop new approaches to customer relationships, and acquire other expertise necessary for conducting a successful business. The novelty of WPF lies in its use of a franchise system. In practice, participants complete a three-stage business training program, consisting of a full-time course of one week in duration, four weeks of experience in a workplace such as a retail outlet, and one week of business guidance from a counselor. Those completing the program are encouraged to launch their own businesses using PNS, MARA, BPMB etc.^{vi}

and are monitored for a period of two years subsequently.

This scheme is summarized in the figure below.

Figure 5 Women Franchise Program (WFP)



(3) The “Showcase” product exhibition: a major SDSI initiative

One of the principal pillars of SDSI activity is the series of exhibitions of products from each locality, coordinated by MECD. The exhibitions bring together SDSI products from all over the country, providing an opportunity to test how products are appraised and assessed through the eyes of customers and attendees. Another purpose is to provide opportunities for exhibitors to compare their products to others, thereby equipping them with new knowledge and awareness of differentiating factors, and encouraging them to pursue improvements in product quality and packaging, sales methods, and exhibiting techniques. The exhibitions appear to have been planned with reference to other large-scale exhibitions that have been launched in recent years, such as OTOP Village in Thailand, and the OVOP product fairs held in various locations around Asia.

The core initiative is the national-level “Showcase” at MITC (Melaka International Trade Centre) which was first held in 2007 in Melaka, in association with the “*One Village One Product International Seminar in Malaysia*” in May of the same year. This first Showcase was a major national event, attended by then Deputy Prime Minister Najib. ^{vii}

Showcase is now becoming established as an annual event. It was once again held at MITC in 2008 to nationwide acclaim, and is complemented by local SDSI Showcase events held at provincial level throughout the country. For example, a large-scale SDSI

exhibition was held in Kota Kinabalu in the state of Sabah in June 2009, under the initiative of that state's government. The exhibition displayed a variety of local products and attracted a large number of visitors: ^{viii}

In addition, a number of representatives of SDSI were sent to participate in the variety of exhibition and "OVOP Seminars" held in Japan (Oita in Oct 2006) and China (in September 2008), with Malaysian SDSI products exhibited widely as part of an active program of promotional activities targeting export markets.^{ix}

With its nationwide reach and status as the visual focus of SDSI, Showcase is garnering the attention of rural small and medium business operators across Malaysia.^x

2. The Questionnaire Survey of SDSI Entrepreneurs: Actual Conditions and Assessments of the Program

The first part of this paper reviewed the history of SDSI as a program and movement in Malaysia, and discussed its aims and distinguishing features. In this second part, attention is focused on the rural entrepreneurs themselves – small and medium business operators targeted by SDSI. Data from a field survey conducted in 2008 has analyzed to identify the types of business activity being pursued, attitudes to business, and perspectives on the SDSI Policy itself.

As mentioned earlier, in 2007 MECD launched a national-scale "SDSI Showcase" exhibition at the Malacca International Trade Center or MITC, a facility that opened in 2007 on the outskirts of Malacca city, a well-known tourist destination. The exhibition held in November 2008 was even more extensive than the previous year, featuring a total of 356 organizations and companies, including businesses participating in the SDSI movement, individuals, co-operatives, governmental agencies, and representatives from the mass media. The author and his research team used this Showcase event to conduct a questionnaire survey of rural entrepreneurs operating under SDSI. The sections below use responses to this questionnaire to the SDSI participants.

1. Profile of small/medium entrepreneurs participating in SDSI Showcase

(1) Types of participants

Firstly, it is important to examine the geographical distribution and business types of participants targeted for this survey. **Table 2-1** is a state-by-state breakdown of the numbers of small/medium business entrepreneurs participating in 2008 SDSI Showcase at MITC, and those actually responding to the questionnaire. Overall, there is an even

spread of participants from all parts of Malaysia.

As shown in the table, responses were obtained from 207 out of the 356 entrepreneurs attending the exhibition. Out of this total of 356 participants, 250 participated of their own accord, while 107 participated through a government agency. The state of Kelantan had the highest number of participants overall, 40, followed by the host state Malacca with 39. Among respondents to the questionnaire, Malacca was best represented with 28 respondents, followed by Selangor with 19, Negeri Sembilan with 18, and Sabah, East Malaysia with 17 out of its total of 29 participants at the exhibition.

Table 3 Participating SDSI Entrepreneurs and Number of Respondents

| Code | Name of States | Participants | (frm States) | (frm Agent) | No. Respond | (%) |
|------|-----------------|--------------|--------------|-------------|-------------|-------|
| 1 | Johor | 20 | 13 | 7 | 17 | 8.2% |
| 2 | Melaka | 39 | 26 | 13 | 28 | 13.5% |
| 3 | Negeri Sembilan | 36 | 30 | 6 | 18 | 8.7% |
| 4 | Selangor | 25 | 16 | 9 | 19 | 9.2% |
| 5 | Pahang | 29 | 17 | 12 | 15 | 7.2% |
| 6 | Perak | 31 | 24 | 7 | 15 | 7.2% |
| 7 | Kedah | 18 | 13 | 5 | 15 | 7.2% |
| 8 | Terengganu | 22 | 14 | 8 | 16 | 7.7% |
| 9 | Kelantan | 40 | 26 | 14 | 9 | 4.3% |
| 10 | Perlis | 21 | 18 | 3 | 14 | 6.8% |
| 11 | Pulau Pinang | 13 | 9 | 4 | 6 | 2.9% |
| 12 | Sabah | 29 | 22 | 7 | 17 | 8.2% |
| 13 | Sarawak | 25 | 22 | 3 | 12 | 5.8% |
| 14 | Kuala Lumpur | 9 | 0 | 9 | 5 | 2.4% |
| | (Unknown) | | | | 1 | 0.5% |
| | All States | 357 | 250 | 107 | 207 | 100% |

Source: "Showcase Satu Daerah Satu Industri 2008, Direktori Pemamer (7-9 Nov 2008 at MITC, Malaysia)

(2) Backgrounds of business operators responding to the questionnaire

Respondents were asked various questions regarding their backgrounds, including origin, age, and level of education. These data appear in **Table 4**.

There was an exact gender balance among respondents, with 103 men and 103 women (plus one unspecified). This proportion of women is manifestly higher than that in small and medium enterprises generally, and illustrates the ample extent of female participation in SDSI. The involvement of women is particularly marked in the field of handcrafts (where they outnumber men 32 to 22); conversely, male participation is high in the area of wood and furniture.

By ethnic origin, the huge majority is Bumiputera – 200 respondents as against just 6 non-Bumiputera. In light of the fact that almost all respondents hail from rural and small urban areas around the country, and the fact that they were prompted to participate by the promotional efforts of MECD and/or other government agencies supporting rural enterprise, this predominance of Bumiputera participants is an

predictable outcome. When viewed by enterprise type, it is clear that *Bumiputera* participation is overwhelming in the fields of food/agriculture and handcrafts, while a slight rise in *non-Bumiputera* participation is noticeable in the service industry field.

24% of respondents are under 30 years of age and another 29% are in their 30s, meaning that the under-40 age range accounts for almost 60% of the total. The fact that just 9% are over 50 years of age underlines the tendency for more entrepreneurs to be relatively young. Respondents working in the field of handcrafts are relatively young overall, with a large proportion under the age of 30, suggesting that this field is characterized by its high participation of younger women.

In terms of educational background, the majority (just over 50%) has completed secondary education, but there are also many with relatively high levels of educational attainment – 20% with tertiary-level diplomas and 17% with full degrees. The proportion of respondents who completed primary school only is just 7%. The distinguishing feature of these data when viewed by field of activity is that educational levels in the wood/furniture and service industries are relatively high in comparison with those in food/agriculture and handcrafts. As a general observation, however, the level of educational attainment among SDSI entrepreneurs is higher than that observed in other Southeast Asian countries.

Table 4 Background of SDSI Entrepreneurs

| | Food & Agro | | Handcraft | | Wood & Furniture | | Service | | TOTAL | |
|--|-------------|------|-----------|------|------------------|------|---------|------|-------|------|
| (Ownership) | | | | | | | | | | |
| Bumiputra | 125 | 99% | 53 | 98% | 13 | 100% | 9 | 64% | 200 | 97% |
| Non-Bumiputra | 1 | 1% | 1 | 2% | 0 | 0% | 4 | 29% | 6 | 3% |
| Others | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| No Answer | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 7% | 1 | 0% |
| | 126 | 100% | 54 | 100% | 13 | 100% | 14 | 100% | 207 | 100% |
| (Range of Age) | | | | | | | | | | |
| < 30 years old | 24 | 19% | 19 | 35% | 3 | 23% | 6 | 43% | 52 | 25% |
| 30-40 years old | 54 | 43% | 18 | 33% | 5 | 38% | 4 | 29% | 81 | 39% |
| 41-50 years old | 14 | 11% | 9 | 17% | 1 | 8% | 1 | 7% | 25 | 12% |
| > 50 years old | 16 | 13% | 1 | 2% | 1 | 8% | 0 | 0% | 18 | 9% |
| Non Answer | 18 | 14% | 7 | 13% | 3 | 23% | 3 | 21% | 31 | 15% |
| | 126 | 100% | 54 | 100% | 13 | 100% | 14 | 100% | 207 | 100% |
| (Education Background) | | | | | | | | | | |
| Primary School | 8 | 6% | 4 | 7% | 1 | 8% | 1 | 7% | 14 | 7% |
| Secondary School | 66 | 52% | 32 | 59% | 5 | 38% | 4 | 29% | 107 | 52% |
| Diploma | 27 | 21% | 9 | 17% | 3 | 23% | 2 | 14% | 41 | 20% |
| Degree and above | 21 | 17% | 5 | 9% | 4 | 31% | 6 | 43% | 36 | 17% |
| No Answer | 4 | 3% | 4 | 7% | 0 | 0% | 1 | 7% | 9 | 4% |
| | 126 | 100% | 54 | 100% | 13 | 100% | 14 | 100% | 207 | 100% |
| Source: Data processed of SDSI Questionnaire Survey 2008 | | | | | | | | | | |

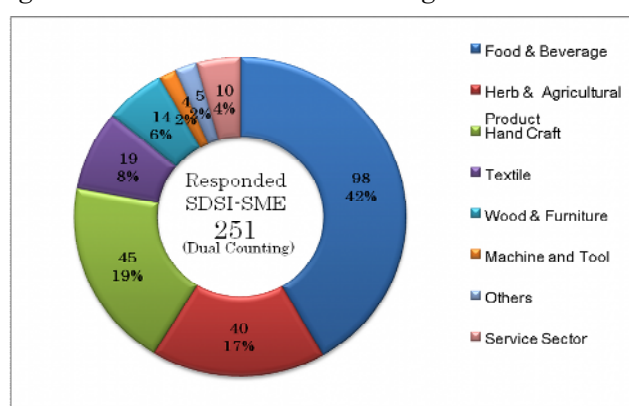
The above outline of SDSI entrepreneurs, based on questionnaire data, suggests that although there is some discrepancy between different industries, an average

entrepreneur sample can be profiled as follows: overwhelmingly Bumiputera ethnicity; equal balance between the genders; aged below 40; completed secondary education.

(3) Business field

Next we turn to examine what the questionnaire data reveals regarding the field and scale of SDSI enterprises. Firstly, the figure below illustrates the makeup of the respondent group by business field.

Figure 6 Business Field of Targeted SDSI Firms



Note: Firms engaged in two or more business fields were counted multiple times.

Source: Data processed from SDSI Questionnaire Survey 2008

Among the 207 respondents to the questionnaire, several offered multiple responses to the question regarding business field – thus the total number of firms by business field is 251. The field involving the largest number of firms – 98 or just over 40% of the total – is food & beverage. There are 40 firms (17%) operating in the herb & agricultural sector, making for a combined total of 60% in agriculture and food-related fields. (Many of the 90 firms with food-related operations also responded that they were manufacturing agriculture-related products – almost all are engaged in the processing of agricultural goods.) Handcrafts are also an important field, making up 19% of the total with 45 respondents. Wood & furniture accounts for 8% and textiles 6%. Others, even when machine & tool and service fields are included, only constitute a small minority.

This breakdown of firms by field of business is thought to provide a useful overview of SDSI-related enterprise in Malaysia as a whole. Many small-scale businesses in Malaysia are likely to be engaged in service industries including retail; the above findings, however, suggest that businesses targeted by SDSI are engaged chiefly in fields already well established in rural communities, such as agricultural goods and

handcrafts. Together with the data on ethnic background presented earlier, this underlines SDSI's status as a program oriented primarily to the support of ethnic Malay residents of rural areas.

(4) Scale: employment and capital

The questionnaire also obtained data on the size of operations and extent of available business capital. These data are presented in **Table 5** below.

84 respondents, around 40%, indicated that their firms fall into the micro-business category, with five or less employees. When firms with 6-10 employees are added to this group the proportion grows to 66%, and a total of 81.6% have 20 employees or less. The number of firms with over 100 employees is very small –just over 2% of the total.

Table 5 Scale of SDSI Firms

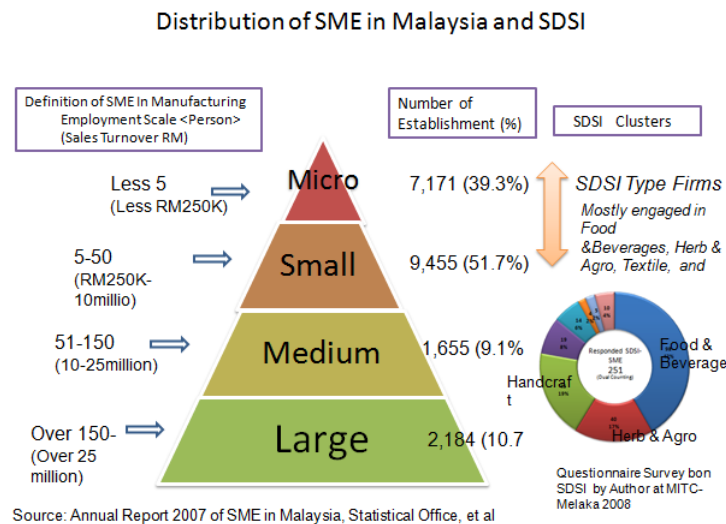
| Employment | | | Capital | | | Annual Sales | | |
|---------------------------|-----------------|--------|------------------------|-----------------|--------|----------------------|-----------------|--------|
| Employment Scale (Person) | Number of Firms | (%) | Capital Scale (1000RM) | Number of Firms | (%) | Sales Scale (1000RM) | Number of Firms | (%) |
| <5 | 84 | 40.6% | <10 | 67 | 32.4% | <10 | 24 | 11.6% |
| 6-10 | 52 | 25.1% | 11-50 | 48 | 23.2% | 11-50 | 61 | 29.5% |
| 11-20 | 33 | 15.9% | 51-100 | 27 | 13.0% | 51-100 | 34 | 16.4% |
| 21-50 | 25 | 12.1% | 101-200 | 17 | 8.2% | 101-200 | 26 | 12.6% |
| 51-100 | 4 | 1.9% | 201-500 | 10 | 4.8% | 201-500 | 16 | 7.7% |
| >100 | 5 | 2.4% | >501 | 19 | 9.2% | 501-1000 | 9 | 4.3% |
| | | | | | | >1000 | 17 | 8.2% |
| No answer | 4 | 1.9% | No answer | 19 | 9.2% | No Answer | 20 | 9.7% |
| | 207 | 100.0% | | 207 | 100.0% | | 207 | 100.0% |

Source: Data processed from the SDSI Questionnaire Survey 2008

In terms of annual sales, 24 firms (12%) have a turnover of 10,000 ringgit or less, and 61 (30%) have 50,000 or less. The combined figure for firms in the 50-100 thousand and 101-200 thousand ranges is 60 (28%); “micro” firms under the definition given above thus account for 70% of the total. In addition, the level of capital available to these firms is low.

More than 100 firms, 55% of the total, began their business with capital of 50,000 ringgit or less. The sources of this capital will be discussed below; at this stage, it can be observed that SDSI firms are choosing their focus products and services and launching their businesses on the basis of extremely limited capital. At the same time as demonstrating the ease with which new enterprises can be started up, this suggests a lack of business stability. Just 9% of respondents have access to capital of more than 500,000 ringgit, and even those with more than 200,000 ringgit represent only 15% of the total. The position of SDSI small firms under the whole SME structure are indicated in the figure 7.

Figure 3 Distribution of SME in Malaysia and SDSI



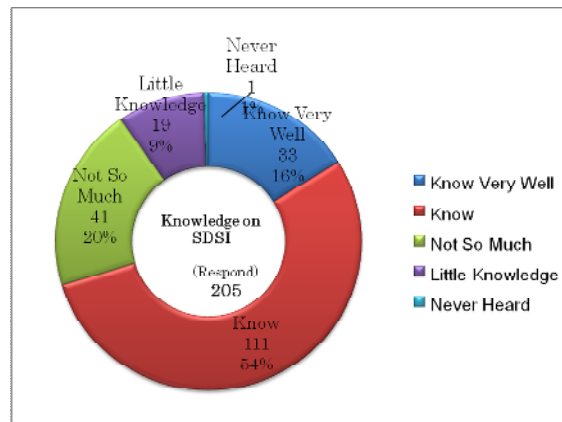
3. Respondents' assessments of the SDSI Policy

One of the chief purposes of this study was to identify how the government's SDSI-related policies are assessed by entrepreneurs themselves. Using data from the questionnaire survey, this section examines the extent of knowledge of the government's SDSI's program, assistance measures, general evaluations of SDSI as a whole, and expectations regarding future assistance. Finally, albeit briefly, the gaps between expectations and actual conditions will be discussing here

(1) Information on the SDSI Policy

16% of respondents indicated that they know the SDSI Policy "very well", and 54% "well", making a total of 70% who are familiar with SDSI (see figure below). This is predictable considering that respondents were participating in an MECD-organized SDSI Showcase event. However, one in ten respondents had low levels of knowledge about the SDSI: 1% had "never heard" of it, and 9% said they had "little knowledge" of it. Another 20% indicated that they had "not so much" knowledge. These results suggest that the details of SDSI are not yet well understood in some circles, and that more effort must be made to publicize and explain the Program.

Figure 8 Knowledge of the SDSI Policy



Source: SDSI Survey at Malacca 2008

(2) Types of assistance

When asked what types of support they were receiving at present, respondents mostly identified the areas of sales and distribution: “marketing” was most common (106 responses), following by “exhibition” (82), and “training for promotion” (47). “Finance” attracted unexpectedly few responses (23). Training and assistance programs are also being used in production-related areas, such as “technology” (23 responses), as well as business procedures for dealing with the government (23). There were also 13 instances of training in “packaging”.^{xi}

Table 6 Type of Assistance by SDSI Program

| | Finance | Marketing | Training (Tech) | Training (Management) | Training (Book-Keeping) | Training (Package) | Training (Promotion) | Exhibition | Tech Matter | Business Procedure |
|------------------|---------|-----------|-----------------|-----------------------|-------------------------|--------------------|----------------------|------------|-------------|--------------------|
| Food & Agro | 17 | 64 | 10 | 10 | 5 | 8 | 30 | 53 | 11 | 12 |
| Handcraft | 4 | 34 | 5 | 7 | 4 | 5 | 12 | 21 | 7 | 7 |
| Wood & Furniture | 1 | 3 | 0 | 1 | 0 | 0 | 4 | 5 | 0 | 2 |
| Service | 1 | 5 | 1 | 1 | 0 | 0 | 1 | 3 | 2 | 2 |
| Total | 23 | 106 | 16 | 19 | 9 | 13 | 47 | 82 | 20 | 23 |

Source: SDSI Survey at Malacca 2008

(3) Evaluation of SDSI

Excluding the 22 respondents who failed to provide a response, evaluations of SDSI policy generally indicate a high level of satisfaction: 36 respondents (20%) said they were “very satisfied”, and 106 (67%) were “satisfied”. 22% evaluate the policy as “normal”, while there is a small number (1%) of respondents that are “not satisfied”. It

appears fair to say that on the whole, entrepreneurs participating in the event at MITC evaluate SDSI highly. However, because respondents are all participants in the Showcase event, these results do not reveal the extent to which such participants' assessments differ from those in the wider business community. A reasonably high proportion of "very satisfied" responses were recorded in the field of handcrafts, followed by food and agriculture. When "satisfied" responses are included, however, there is little variation between the different business fields, with all recording high levels of satisfaction (67.5%, 68.5%, 69.2%, and 78.6%).

Table 7 Evaluation of SDSI Policies

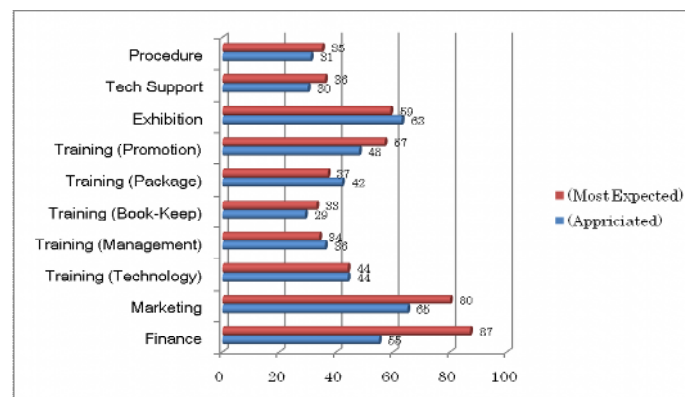
| Evaluation of SDSI Policies | | | | | | | | | | | |
|-----------------------------|-------------|-------|---------------------|-------|------------------|-------|---------|-------|-----|-------|--|
| | Food & Agro | | Handcraft & Textile | | Wood & Furniture | | Service | | All | | |
| Very Satisfied | 20 | 15.9% | 14 | 25.9% | 1 | 7.7% | 1 | 7.1% | 36 | 17.4% | |
| Satisfied | 65 | 51.6% | 23 | 42.6% | 8 | 61.5% | 10 | 71.4% | 106 | 51.2% | |
| Normal | 26 | 20.6% | 9 | 16.7% | 3 | 23.1% | 3 | 21.4% | 41 | 19.8% | |
| Not Satisfied | 0 | 0.0% | 2 | 3.7% | 0 | 0.0% | 0 | 0.0% | 2 | 1.0% | |
| Very Not Satisfied | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | |
| (Not respond) | 15 | 11.9% | 6 | 11.1% | 1 | 7.7% | 0 | 0.0% | 22 | 10.6% | |
| Total | 126 | 100% | 54 | 100% | 13 | 100% | 14 | 100% | 207 | 100% | |

Source: SDSI Survey at Malacca 2008

(4) Expectations for SDSI

Respondents were presented with a list of different SDSI-related assistance policies, and asked to identify which they "appreciate", and in which areas improvement is "most expected". Results are presented in the figure 6 below.

Figure 9 Expectations for SDSI Policies



Source: SDSI Survey at Malacca 2008

Highest importance is placed on initiatives in the area of finance: 87 "appreciated"

(“A”: Appreciated) and 55 “most expected” (“M”: Most expected). Next is marketing, with similarly high figures of 80 (A) and 65 (M), then exhibitions, with 59 (A) and 63 (M). In contrast, as shown in the chart, the figures for tech support and procedures are not particularly high; neither are the levels of interest in areas such as training in packaging and bookkeeping. There are moderate degrees of appreciation and expectation in the areas of training for technology and promotion.

Although there is some divergence between “appreciate” (current assessment) and “most expected” (expectation of future improvement) response patterns, in general the issue of business capital is the subject of the highest levels of both appreciation and expectation, followed by marketing issues (support for commercialization and market preparation, exhibitions and promotional activities). Training programs (in technology, management, bookkeeping and packaging) attract a degree of interest and appreciation, but the levels of expectation placed on such forms of assistance are only moderate compared to the other forms identified. ^{xii}

3. Concluding Comments to the SDSI Policy: issues and challenges

3-1 Overall Observation

This paper has examined the framework for Malaysia’s SDSI Policy, and the situation of SDSI entrepreneurs and their evaluation on the Policy, by using questionnaire survey and individual interviews. Through these analyses, partly though, it might be possible to extract several suggestive points regarding how OVOP Movement is undergoing in Asia, and what sort of problems are existed behind the movement.

When we looked the Malaysian SDSI, it shares many common issues with other OVOP movements in Asia regarding the way of approach, background, and administrative involvement, but the several unique points are found in Malaysia.

The following points maybe presented. Firstly the SDSI is certainly oriented to “Poverty Alleviation” as its policy goal which found in other developing countries too. It is initiated by providing business foundation to local residence in the rural areas facing economic stagnation. Then the SDSI of Malaysia is attaching to the proactive measures to create specific local products and services in the area.

On the other hand, the SDSI shows a strong intention to promote economic position of Bumiputra people as a major aim, with taking a reason that they are economically weak and comparatively suffering backwardness in the Malaysian multiethnic society..^{xiii}

Emphasis is also placed on the regional development of the States, like Sabah and Sarawak of the eastern peninsular, where culturally unique, but remote and access being limited. This entails making residents aware of their identity of tradition and

culture, and developing their inherited local goods that have not yet well known worldwide. Then the national government takes the lead in organizing campaigns and promotional initiatives for such products through nationwide Showcase and other activities, and providing financial assistance for their education and training for that purpose. In addition, the government advocates the adoption of new concepts of “Industrial Cluster” and “Value Chain” in their basic concept as SDSI’s implementation.

xiv

In this context, the SDSI of Malaysia is presented not simply as a means of “poverty alleviation” through generation of supplementary income, but as a policy system to seek economic balance of multi ethnical society and to enable full-scale business activities in rural areas. Then, the SDSI can be seen as a broad-ranging incentive program for local entrepreneurs. This might be possible to identify them as a new direction in the evolution of OVOP movements in Asia.

However, it must be addressed that the SDSI Policy is still comparatively young age, which just launched on a full scale in 2003. Then Malaysian “OVOP movement” is only just getting under way in the first trial stage. It is anticipated that as the trial-and-error process continues, SDSI will grow into a series of more practical measures that encompass trans-national sharing of experiences in rural development, and the cultivation of individuals to drive that development.

(end)

<Supplemental Comment>:

Issues and challenges on SDSI Policy of Malaysia

On the basis of the above observations and by way of conclusion to this paper, the following points are presented as the key issues and challenges for Malaysia's SDSI Policy at present.

1. A great number of governmental organizations have been mobilized as part of SDSI, with the Prime Minister's Department responsible for coordinating their activities. However, there is some overlap among programs implemented by different bodies. This causes duplication and precludes communities' capacity to absorb the initiatives on offer. There also appears to be a lack of good coordination among authorities, and draws unnecessary ramification and conflict among administrative works, while the intention and target of Program are not always able to understand sufficiently among local people. There is a need for more effective unification and coordination of initiatives, focusing on congruence of purpose and action.^{xv}
2. While there are some merits of SDSI Policy implemented as top-down initiatives by the central government, it is also revealed that there is some discrepancies between the mode of implementation and the local circumstances, needs and demands of local communities. A desirable move should be encouraged more to lead to the community-centered modes of implementation and to allow more room for local peoples' initiative on the movement. ^{xvi}
3. It appears that Malaysian goods in the area of handcrafts, the predominant SDSI product type, have been still looked short in terms of design, appearance and originality if compared with the OVOP handcrafts from other Asian countries – such as the sophistication of handcrafts produced in China, the porcelain (such as “*Benjarong*”, woodwork and silk goods from Thailand, and “batik” in Indonesia, and so on. Technical processes must be enhanced, and the ways must be found to improve aspects such as subtlety and detail, originality and novelty of design, and visual presentation of both packaging and product. If these issues are not addressed, SDSI products might be disadvantaged in competition on a global scale, and the expansion of industrial activity might face difficulty in future, because the competition is likely to be particularly tough for products aimed at export markets.
4. In order to tackle the problem identified above, more concerted efforts must be made to participate in international-level initiatives such as exhibitions, to enable comparison with products manufactured outside Malaysia, learn from them, assess the reactions of buyers, and gain a better idea of demand patterns.
5. The SDSI Policy should be made to incorporate technical assistance and

consultancy functions, at the same time as using case studies from more developed countries to gain insight into manufacturing techniques, designs and approaches to product development and marketing.

6. To the extent that it is concerned with fostering small businesses in rural areas and developing local industrial infrastructure, it is inevitable and understandable that SDSI favors the *Bumiputera* citizens who constitute the majority of rural dwellers. In order to foster more dynamic local industry and revitalize rural areas, however, it is also necessary to ensure that programs are formulated and initiatives implemented in a way that transcends any divisions of race or ethnicity.
7. Presentation of the SDSI Policy by the government agencies responsible for it needs to be accompanied more academic and objective assessments. Provision needs to be made for the findings of research and objective examination to be fed back into the policy process. A related issue is the lack of comprehensive documentation on the Program as a whole and the obscurity of statistical data sources. (Something like an “SDSI White Paper” may be called for.)
8. This underlines the need for SDSI, as a movement, to extend beyond governmental organs. Local universities could become more heavily involved, enabling community-based engagement in tasks such as intellectual contribution, collaborative development of technologies, partnerships between industry and academia, and education in the field of business management.
9. The concepts of “industrial clusters” and “supply chains” are invoked as part of the basic framework for SDSI, but the development of a true industrial cluster requires the target region to possess a certain degree of industrial infrastructure, or infrastructure for the production of specific goods. In most cases, the rural areas of Malaysia do not possess sufficiently developed infrastructure of this sort. The types of goods produced in each region tend to be similar, production scale is inadequate, and there is little variety or inherent originality in products. Under such conditions, it would most likely be difficult to create “Clusters” and develop linkage between production and diversity in product development. SDSI policy may better conceptualized using more simple, community-level models. The cluster approach can be understood, however, if used simply in the sense of a campaign slogan calling for each discrete region to develop strong specialty products and distinctive and original product categories, the value of which can be realized in the global marketplace.

The above provision are the issues we have extracted with our research results even the analysis is limited in terms of the coverage fields and broadness of survey and available data to date. In that we observe many challenging problems and challenges

with holding several future prospects of SDSI in Malaysia. (end of end)

ⁱ The Oita OVOP International Exchange Promotion Committee publishes a monthly electronic news bulletin *Isson Ippin Kawaraban* that introduces various projects related to the One Village One Product being carried out in developing countries. The Ministry of Economy, Trade and Industry also provides support for such movements and initiatives, linking them to trade development policies for each nation. The 2009 White Paper on International Economy and Trade even discusses an “international OVOP movement” connecting OVOP in developing countries with Japanese aid programs (White Paper on International Economy and Trade (Summary), p.20) :

<http://www.meti.go.jp/english/press/data/>

ⁱⁱ “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.

ⁱⁱⁱ The research theme under the FY 2008 Ritsumeikan Asia Pacific University academic subsidy program was “A Case Study on Malaysian Local OVOP Type of Entrepreneurs and Industrial Development-”, and the similar research project themed “A Comparative Study on One Village One Product Entrepreneurship Patterns in Southeast Asia” was adopted as a JSPS ‘s (Japan Society for Promotion of Science) Grant-in-Aid for Scientific Research in 2009.

^{iv} See Oita OVOP International Exchange Promotion Committee website:

<http://www.ovop.jp/en/>

^v See “Sustainability of One District One Industry (SDSI) in Malaysia and Enhancing to Global Market” by ICU, Prime Minister’s Department (Presentation material at OVOP International Seminar 2007 at MITC-Melaka, 5-6 July 2007)

^{vi} PNS(Perbadanan Nasional Berhad), MARA(Majlis Amanah Rakyat), BPMB(Bank Pembangunan Malaysia Berhad). These are semi government organs to support indigenous populations in local Malaysia.

^{vii} “OVOP; Platform and Gateway to Global Market” (OVOP International Seminar in Malaysia 5 July 2007) ICU, Prime Ministers Office

^{viii} In June 2009, a large-scale SDSI exhibition was held in Kota Kinabalu in the state of Sabah, under the initiative of that state’s government. The exhibition displayed a variety of local products and attracted a large number of visitors: *Daily Express*, 12 July 2009.

^{ix} One Village One Product International Seminar in Oita (Oct. 20, 2006 Beppu, Japan) and OVOP International Seminar 2008 in Liyang Changzhu, China (Nov. 15, 2008)

^x MECD “Direktori Pemamer Showcase SDSI 2008” 7-9 Nov. 2008, p.159.

^{xi} Comments made during individual interviews recognized the importance of packaging and noted assistance received in this area. Results from the questionnaire itself, however, suggest that only a small number of respondents are receiving assistance and training in packaging. The importance of technical assistance was also highlighted, with some respondents, albeit small in number, reporting that they had developed new products with assistance from organizations such as SIRIM (cf. individual case studies).

^{xii} Besides these analyzed data, in the questionnaire survey covers the other lots of items, such as motivation of start-up business, current and future business prospects, problems they are facing, and so on. However, these issues are handled in the main report “Research Report on SDSI Survey 2008” and “Proceeding of the SDSI Seminar in Kelantan July 27, 2009)

^{xiii} This direction invites many voices of criticism, such as its effectiveness of economic policy because it might make losing independent spirits of rural Malays and invites too much inclination to government subsidies, policy distortion by favoring Bumiputra, and

causing rampant wasting fund of subsidies and others.

^{xiv} MECD Website “One District One Industry Programme (SDSI)

(the programme is based on the concept of developing and commercializing a product or service distinctive of a particular district. It is focused on developing a creative,

^{xv} KKLW offers assistance programs similar to SDSI, but the relationship between such programs and SDSI is not made clear. SLDA, the State Land Development Authority, is also encouraging its member organizations to become involved in a “one district one product” campaign known as SAWARI, but again it is unclear how this is integrated with SDSI. There are also other similar assistance programs offered by different government ministries, agencies and authorities. These need to be integrated and unified in a meaningful manner.

^{xvi} The author has detected many opinions from interviewed entrepreneurs who confessed that the lack of opportunities to reflect their voices and demands on the supporting programs. Especially at the time of Kelantan SDSI Seminar (August 27, 2009), many participants demanded to hear their voices when implementation of supporting policies and requested avoiding partial decision pattern to the government organs.

In the case of Oita, former governor Hiramatsu had organized a count of “Town Meeting” to implement OVOP policies to hear the voices among local people directly. That would be a good lesson for the Malaysia government to improve the SDSI policy to some extent.

Special Report: The OVOP Materials of the “Hiramatsu Collection” in APU

Kunio IGUS

● Introduction of the “Hiramatsu Bunko” Collection

Large number of books and documents relating OVOP Movement were donated by the former Governor of Oita, Dr. Hiramatsu Morihiko to the Ritsumeikan Asia Pacific University in 2005. The academic community of the APU was very much appreciated his generous activity, and decided to set up the “**Hiramatsu OVOP Research Bunko**” (later call “Hiramatsu Collection”) room in the APU in order to store and display them under the assistance of the Research Office of APU. ¹Now the researchers and student, who are interested in the OVOP or regional development, can use this “Bunko” collection in APU. Additionally a research team of APU has conducted the indexation works to be able to use this Hiramatsu Collection. The following report is the introductory note on the contents and the way of application regarding “Hiramatasu Bunko” as well as brief explanation of OVOP Moverment itself. However, the index unfortunately described still in Japanese language only at this moment. We have translated a part of them, but we do hope someday the researchers will translate the materials further to other languages, like English, Chinese or others.

● The Significance of OVOP and the meaning of Hiramatsu Collection on OVOP

The One Village One Product (OVOP) is a movement that began in Oita prefecture, Japan. It is now going to apply in many countries in the Asia as a model for regional development policy. It can be said that the movement is a practical social movement, which is uniquely Japanese, but applicable policy initiatives in the local revitalization measures. The movement would have many implications regarding local development issues, such as how relationships being functioned between the government and residents should be, how to promote local revitalization program and organizational management, how to form the initiative to nurture of community leaders.

● OVOP Research Work and Hiramatsu Collection

In this understanding, APU research group started the research program on the OVOP movement in Japan and Asia in 2004, because the APU is located in Oita where the OVOP movement had borne.

At this moment, the huge documents on OVOP movements were brought in by Dr. Hiramatsu Morihiko. It was a great contribution to our research activities. Because Dr. Hiramatsu is the founding father of this OVOP Movement in Oita, and we had long been felt the importance of primary data collection about these social movements. In this sense, Dr. Hiramatsu's materials gave us a new sight to our research.

One of output born from this process was the booklet, which titled *“Collection of Books, Articles and Documents related to “One Village One Product”* (March 2006). The booklet listed many documents including Dr. Hiramatsu's public comments, lectures, statements, and interviews concerning OVOP. Consequently, we publicized the next edition of booklet document list. *“Book Reviews and Comment Letters on the OVOP related Publications by Dr. Hiramatsu”* (August 2011), and *“Books and Materials of Oita OVOP in the Hiramatsu Collection -Revised and Supplemented”* (Nov. 2011) with several attachment. These publications are now available at the Research Office of APU or Library of APU. The stocked documents in the Hiramatsu Collection are now open for perusal by researchers, students and other parties, These documents of Hiramatsu Collection can be checked by the electric data in the above mentioned indexation booklets.

● The Contents of Hiramatsu Collection and its Way of Use

The “Hiramaatsu Collection” archive room is storing and displaying many type of general books, magazine articles, newspaper clipping, booklet, collection of letters, and others which related to OVOP Movements. These documents and materials are systematically classified by the document type and its nature, and also indexed electrically. All these documents and lists are arranged being accessible by computer. The contents are as follows:



Overview of Hiramatsu Collection room



Newspaper Clipping of Hiramatsu



Corresponding Letters of Dr. Hiramatsu



Review and Articles in the Magazine
Type Collection

1. Newspaper Clippings Collection of OVOP Movement (1979-2004)

The Newspaper's articles, which were written on the OVOP Movement in Oita and Japan, are stored in the Scrapbooks sorting by date, author, title, and additional information. The index is available by PC's Excel file.

2. Major Articles Collection on OVOP Movement appeared in the various Magazines

Various articles in the magazine and book articles on OVOP are collected including Dr. Hiramatsu's lecture, dialogue, and writings. The most of them were converted to PDF file and accessible by computer based index.

3. Books and Pamphlets Collection on Oita and Kyushu

Book and booklets discussing on the regional development, local revitalization movement, and local autonomy policies measures in Oita and Kyushu are stored in the corner. The index file is made for the collection according to author, title, publisher, and date.

4. General Book Collection of Dr. Hiramatsu

The various books and booklets, which owned by Dr. Hiramatsu, are displayed in the Bunko corner, such as dictionary, encyclopedia, literature, non-fiction writings, government documents, company histories, and others.

5. Letters and Review Article Collection by Dr. Hiramatsu

Dr. Hiramatsu has published many books on the OVOP, regional vitalization, government policy on decentralization and other social issues. The letters and review on these publications are collected and exhibited in the corner as a special collection. The index is made by PC base.

6. Newspaper List of Oita Godo Shinbun on the Oyama Revitalization Movement.

Oyama Town is well-known as a site initiating the first OVOP type of NPC rural development movement. The list shows how that movement had started and developed into OVOP. It would be useful to understand the background of OVOP.

● Additional Information of OVOP Research by APU

With recognition of importance of OVOP movement, APU research group formed a joint research project with the Institute of Developing Economies (IDE) in 2005. That was a joint research project named *“Japanese Experiences on Local Industrial Development: Lessons for Developing Countries.”*ⁱⁱ The research work has completed in 2006 and published a book *“Japanese Experiences on Local Industrial Development”* (published by the IDE in Japanese language edition) in 2006. And the APU’s research has subsequently resumed OVOP study in 2009 with the support of Kaken (JSPS Grant-in-Aid). This is the research named *Comparative Study on the Activity of One Village One Product-style Entrepreneurs in Southeast Asia.*ⁱⁱⁱ This time, the research has particularly focused on the Movement in Southeast Asia, and this was initiated under the collaboration with Asian research institutions. The result of this research could produce the research report *“The OVOP Movement and Rural Entrepreneurs in Southeast Asia”*. Among various research works, the team made the translation work of the former IDE publication as an additional work to publish new title of English publication *“The OVOP Movement and Local Development in Asia”* in 2011. All these works are hopefully

contribute to promote further academic activity on OVOP and other regional development subject in Asia and Japan.



APU & IDE Publication
on OVOP in Japanese



Research Publications on OVOP as a result of
the APU Research supported by the JSPS

We hope, in the future, the Hiramatsu Collection will grow and can accumulate more useful documents, and contribute to conduct the more broad research works on the regional revitalization movement of Asian and Japan. We look forward to visiting the Hiramatsu Collection archive room in APU.

(Kunio Igusa, Ritsumeikan Asia Pacific University)

ⁱ This space is now the “One Village One Product Research Room in Honor of Dr. Morihiko Hiramatsu”, located within the Ritsumeikan Center for Asia Pacific Studies on level 2 of Building B at APU.

ⁱⁱ Findings published as Matsui & Yamagami (eds), *Isson ippin undō to kaihatsu tojōkoku—nihon no chiiki shinkō wa dō tsutaerareta ka* [The One Village One Product Movement and developing countries—passing on Japanese experiences of community development] (IDE Selection 3), Institute of Developing Economies, 2006. Later this publication translated into English by APU research group as “The OVOP Movement and Local Development in Asia, ed. By Kunio Igusa)

ⁱⁱⁱ *Comparative Study on the Activity of One Village One Product-style Entrepreneurs in Southeast Asia* (JSPS Basic Research (B), International Academic Survey 2009-2011)

Understanding the OVOP movement in Japan

An evaluation of regional one-product activities for future world expansion of the OVOP/OTOP policy

Hiroshi MURAYAMA and Kyomi Kyungmi

~~SON~~Matsuoka

書式変更：単語の途中で改行する

(Reprinted article: Preface)

Introduction

What is OVOP (One Village, One Product) and how has it been developed in Japan? What is the significance of OVOP? This chapter presents materials in order to answer these questions. The OVOP movement, which is called 'Isson Ippin Undo' in Japanese, is a local government policy that formally started in Oita Prefecture in Japan in 1979 and formally finished in 2003. The OVOP policy was originated by Oita Governor Morihiko Hiramatsu in 1979 and developed for 24 years until he left office.

One of the interesting points of OVOP is the particularity of continuity and expansion of the movement even after the policy was completely finished in the period of the next governor. The continuity in Oita has been seen in local activities outside of government policies, and at the same time the essence of OVOP continues to be found elsewhere in Japan in different forms such as through local vitalization and regional brands. The expansion of the OVOP approach has been widely adopted in Asia, Africa and South America even though the names of movements and the contents of policies are different. The Japanese national government has also used an OVOP approach as a foreign aid strategy. The movement of regional activities for vitalization through regional products such as OVOP had been seen in Oita before the OVOP policy formally started in 1979, and similar vitalization activities to OVOP could be seen both in Japan and in other parts of the world after 2003. In short, the OVOP approach in Japan continues to expand its function as a policy system that has been introduced to a number of different countries to promote a synthesized approach of various existent activities for regional vitalization.

Why can the OVOP policy, which was implemented at a local government level, continue to expand at a global level? It seems to us that there are three factors behind the Japanese OVOP approach: the simple method of producing regional products linked with complex ideas for

regional vitalization; the parallel implementation of the original, extended and new OVOP; and the mixed effects of creating a regional society, a regional economy and a regional culture. To understand these factors well is necessary in order to adopt the OVOP approach. The useful continuity of the OVOP essence and the meaningful expansion of the OVOP approach for urging regional vitalization depend on understanding what the OVOP movement is, how it should be developed and how it may be evaluated. In order to answer these questions, some materials are presented as follows.

1. What is the OVOP movement in Oita Prefecture in Japan?

What is the core characteristic of an OVOP policy? It can be seen in the OVOP movement in Oita Prefecture as the simple method of producing regional products linked with complex ideas for regional vitalization. Perhaps this OVOP characteristic of a combination of a simple method and complex ideas may make the continuity of the OVOP essence and the expansion of the OVOP approach possible. The simple method of the OVOP movement is just to produce excellent regional products. The complex ideas of OVOP are a variety of principles that are useful to solve local problems, both in developed and developing countries. The policies of OVOP, OTOP and others are a symbol of the complicated relationship between a method and ideas. No one believes that one product can save one village by solving local problems but nevertheless the symbol of OVOP is attractive. This attraction makes it easy for policy makers and local people to use the OVOP symbol and freely understand the significance of OVOP. Therefore, in order to identify the utility of the OVOP policy beyond its symbolic usage it is necessary that the significance of the regional one-product policy through the OVOP symbol is clearly discussed and clarified.

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.¹⁾

According to his declaration when starting the OVOP policy in Oita, many OVOP specialties were listed and developed. Figure 1 presents some examples of OVOP products among many in Oita in 1980. The simple method of the OVOP movement was very acceptable for regional vitalization because people could easily understand the method in general and because the method of producing excellent regional products was already familiar in some regions such as 'shiitake' mushrooms in Oyama village, 'shochu' liquor in Hiji and Usa towns, and 'kurumaebi' prawns in Himeshima village. A higher GDP per capita in the Oita Prefecture (Figure 2) can be attributed to the OVOP policy and also to another Hiramatsu policy which attracted large Japanese companies such as Canon to the area. These figures were presented in an OVOP workshop in Cambodia, by Kunio Igusa, a former professor of Ritsumeikan Asia Pacific University in Japan, who has studied OVOP extensively. The images may be understood from the figures even though precise information cannot be acquired without a verbal explanation.

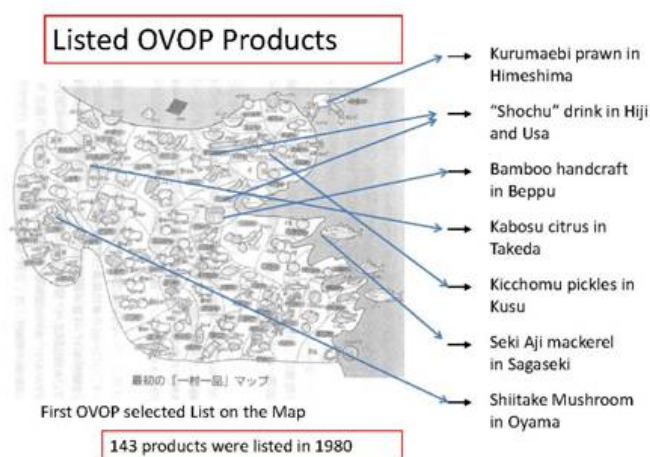


Figure 1 OVOP products in the Oita Prefecture in Japan.

Source: Kunio Igusa, Ritsumeikan Asia Pacific University at an OVOP workshop held in Cambodia, 2010.

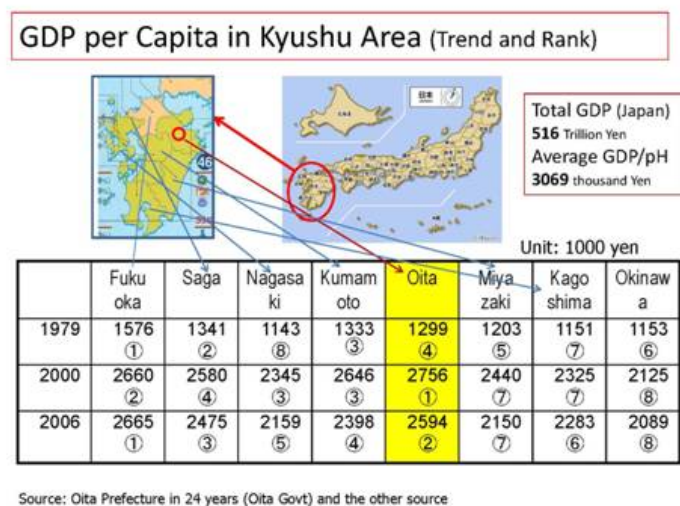


Figure 2 Economic progress of Oita Prefecture.

Source: Kunio Igusa, Ritsumeikan Asia Pacific University at an OVOP workshop held in Cambodia, 2010.

The next material which presents the complex ideas of the OVOP policy for regional vitalization can be seen in Figure 3 which is from the website of the Oita OVOP International Exchange Promotion Committee NPO.²⁾ The OVOP principles containing these complex ideas are summarized in Figure 4 by Kunio Igusa. The principle of 'local but global' is conceptualized as producing globally accepted products that reflect the local flavor and culture. The principle of 'self-reliance and creativity' is indicated as an innovative mind to realize OVOP products and services through self-initiated actions utilizing potential resources in the region. The principle of 'human resource development' is interpreted as fostering proactive people with a challenging and creative spirit.



Figure 3 Screen shot from Oita OVOP International Exchange Promotion Committee website.
Source: <http://www.ovop.jp/jp/> (Accessed in November, 2012).



Figure 4 Basic principles proposed by Governor Hiramatsu.
Source: Kunio Igusa, Ritsumeikan Asia Pacific University at an OVOP workshop held in Cambodia, 2010.

As Figure 4 shows, the three principles of ‘local but global’, ‘self-reliance and creativity’ and ‘human resource development’ are significant as they are independently related to promoting the OVOP policy and interactively functioning for regional vitalization. The complex ideas of the OVOP policy presented here were introduced to try to solve social problems in Oita Prefecture; for instance, to stop the exodus of young people to big cities by developing local industries and establishing small- and medium-sized enterprises in the regional economy. The ideas were also expected to elevate local societies’ own capacity for reducing over-dependency

on public sectors. These ideas of the OVOP movement were actually implemented by both local people and the government. The model of Oita's OVOP movement consists of people's activities and the government's management, as shown in Figure 5. People participated in the OVOP movement in the following ways: by unearthing regional resources; by producing marketable products and selling them through market channels; by adding value to products; and, by sharing efforts to develop the OVOP process and utilizing the OVOP mind for regional vitalization. In turn, the government's role in the OVOP movement was to implement plans, programs and projects; to provide incentives and develop product markets; to promote the systemization of the movement; to provide support funds for technology; and, to aid human resource development to continue the OVOP movement. Igusa's analysis of the OVOP movement is useful for understanding the significant characteristics of a simple method of producing regional products linked with complex ideas for regional vitalization.

Concept Model of OITA's OVOP Movement

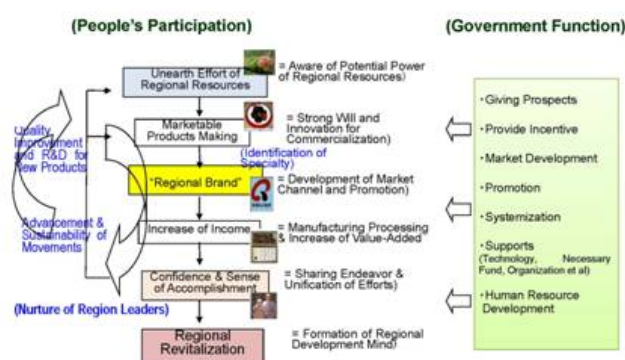


Figure 5 Local people's and government's activities in the Oita OVOP.

Source: Kunio Igusa, Ritsumeikan Asia Pacific University at an OVOP workshop held in Cambodia, 2010.

2. How was the OVOP policy implemented in Japan?

The variety of OVOP ideas based on the simple method of producing regional products did not start completely from the beginning of the Oita OVOP policy in 1979. The ideas themselves developed from the original OVOP, through the extended OVOP and on to the new OVOP in the Oita prefectural government until 2003. For example, the idea of human resource

development was emphasized through the 1983 establishment of the OVOP School, 'Toyonokuni-jyuku', to share OVOP information among people both inside and outside Oita. The idea of an international view of the promotion of OVOP activities in the policy was practiced in 1983 through the 'local yet global' project of young activists who were visiting overseas in order to investigate new themes of creativity. 1983 was a turning point for the comprehensive OVOP policy of complex ideas that started in Oita.³⁾ Figure 6 shows this development of the OVOP policy in Oita from the original and extended OVOP to the new and future OVOP.

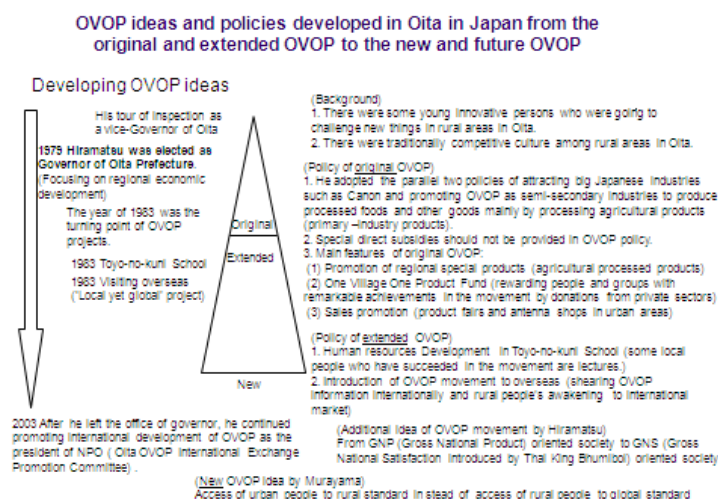


Figure 6 Development of OVOP ideas and policies in Oita.

Source: Hiroshi Murayama, Ritsumeikan University. Seventh OVOP International Seminar, Hanoi, Vietnam, 2010.

Morihiro Hiramatsu acquired information about existing activities for regional vitalization in villages, towns and cities such as Oyama, Himeshima and Yufuin during his inspection tour of rural areas as a vice-governor of Oita. He visited all over Oita for four years after he resigned from the Japanese Ministry of Economy, Trade and Industry to become the vice-governor before he was elected as the governor of Oita in 1979. He noticed two features that would be useful for starting OVOP; firstly, there were young innovative people who could challenge new things in rural areas in Oita, and secondly, there was a traditionally competitive culture which accentuated OVOP competition among rural areas in Oita. The guidelines of the original OVOP at the beginning of the governor's policy were to promote OVOP as semi-secondary industries

for processed foods and other goods mainly by processing agricultural products and not by providing special direct subsidies. The main approach of the original OVOP by Governor Hiramatsu was to establish an OVOP fund with donations from the private sector with which to reward people and groups with remarkable achievements in the movement and to promote sales by product fairs and ‘antenna shops’ in urban areas. The parallel implementation of the original, extended and new OVOP is shown in Figure 7. The approaches of the original OVOP for processing foods and other goods are implemented in accordance with the extended OVOP of the OVOP School. Information about OVOP activities is shared internationally and promoted as the new OVOP approach of ‘urban access to rural’. This new approach means that the first generation of OVOP provides access for acceptable rural products to urban people, while the third generation’s shops and inns provide rural values that attract urban people.



Figure 7 Original, extended and new OVOP in Oita.

Source: Hiroshi Murayama, Ritsumeikan University. APEC Global ‘One Village One Product’ Seminar: Success Factors of OVOP Targeting Global Markets, Bangkok, Thailand, 2011.

The new OVOP approach can be interpreted in the interaction between rural and urban areas to advance the purpose of social diversity for mutual understanding, in its movement of cultural aspects for interactive behavior, and in its policy characterizing regional originality for mutual cooperation beyond the region.⁴⁾ Figure 8 shows a comparison of the structures of the original, extended and new OVOP. The original OVOP is characterized as ‘rural access to urban’

through regional products targeting standardized life and society mainly for rural economic development. The extended OVOP is presumed as an ‘exchange of information’ through activities sharing information mainly for regional characterization. The new OVOP is interpreted as ‘urban access to rural’ through possible and acceptable OVOP products (goods and culture) for urban people aiming at a particular life and society for cultural diversity, which brings mutual interactive understanding between rural and urban areas.

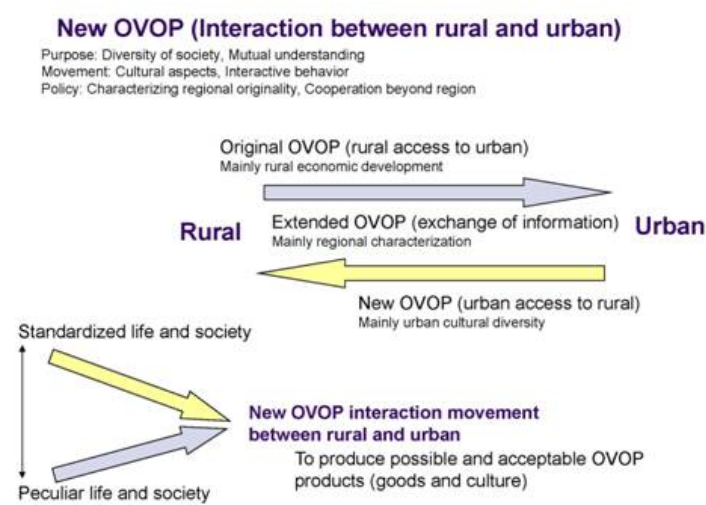


Figure 8 Relationship between rural and urban areas in the OVOP movement.
Source: Hiroshi Murayama, Ritsumeikan University. An OVOP seminar at a university in Vietnam, 2010.

3.Is there any possible way to understand the significance of OVOP activities?

The materials above already describe what the OVOP movement is and how the OVOP policy was developed in Oita. Now materials to evaluate OVOP activities and policies are presented to answer the question: Is there any possible way to understand the significance of OVOP activities? The EOR (Evaluating OVOP Radar) Chart offered by Think Mate Research Co. Ltd. for evaluating OVOP is introduced here.⁵⁾ Figure 9 shows this radar chart which has a three part structure that consists of the effects of the OVOP movement in creating ① a regional society, ② a regional economy and ③ a regional culture. The combination of the three effects is

shown as the area ⑦ of revitalization through a regional product. The area ④ of regional industry represents the combined effect of creating a regional society and economy. The area ⑤ of the social system represents the combined effect of creating a regional society and culture. The area ⑥ of consumer behavior represents the combined effect of creating a regional economy and culture. The OVOP effect of a regional product for vitalization is measured by the three axes of dotted arrows scaling how to create a regional society, how to create a regional economy and how to create a regional culture on this structure of OVOP effects. In fact, the various effects come entirely from just the simple OVOP method of producing regional products, and then the complex ideas of the regional, extended, and new OVOP activities are based on the structure containing the three factors of creating a regional society, economy and culture.

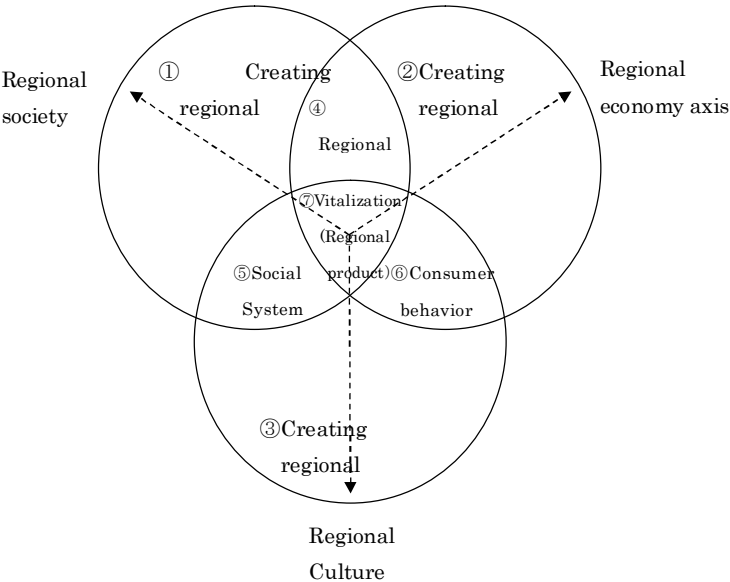
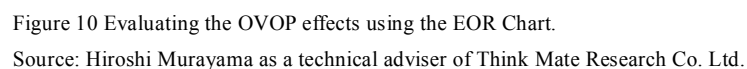


Figure 9 The OVOP structure consists of three factors of the OVOP movement.
Source: Hiroshi Murayama as a technical adviser of Think Mate Research Co. Ltd.

The measurement of the EOR Chart is more precisely explained in Figure 10 in terms of the details of the features of the effect on each axis. The first fundamental feature of the OVOP effect is seen in creating a regional society by a particular regional product, so to say ‘only one product’. The feature of this regional society axis is compared to the second feature in creating a regional economy on its axis by the regional product aimed for ‘Number one’, and the third



The images of three triangles in Figure 10 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 'Ichiko' 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.

Oyama was a small town with a population of around 6,000 people in its heyday before it became a district of Hita City as a result of the simultaneous merger of five towns/villages in the former Hita County in 2005. The Oyama Agricultural Cooperative played a significant role in regional vitalization before Oyama's OVOP started and even after the merger happened. The leader of the Oyama Agricultural Cooperative who became mayor of Oyama began the NPC (New Plum and Chestnut) campaign, which was famous for the OVOP slogan, 'Let's plant plums and chestnuts and go to Hawaii'.⁷⁾ This slogan indicates the promotion of agricultural community development beyond merely earning money, and the Oyama Agricultural Cooperative started its own shop named 'Konohana garuten' to sell 'only one' products directly to consumers. The (a) line on the regional society axis indicates the high effect on Oyama's residents to establish an identity of self-reliance. The shop encourages local residents living close to Oyama to buy local products for local consumption and also enables people living in urban cities outside of Oyama to enjoy local rural purchases.

The industry of Japanese distilled liquor called 'shochu' originated in the Kyushu area in the southern part of Japan, including Oita Prefecture. Shochu distilled from wheat in Oita strongly contributed to make it one of the most successful among liquors in Japan in terms of total sales. The 'Ichiko' liquor that started being sold in 1979 as an OVOP product in Oita played a crucial role in contributing to the development of the shochu business.⁸⁾ The location of the (b) line on the regional community axis indicates the strong effect of forming a regional industry to produce the 'Number one' product to sell in the consumer society. As well as 'Ichiko', there is another OVOP shochu in Oita called 'Nikaido'. The Oita prefectural government advertised them as OVOP products and Governor Hiramatsu played an important role as a kind of salesman to urban people. These activities mean that rural areas gain access to urban areas in order to sell their products in accordance with a standardized urban life and society.

Yufuin, a small village of hot springs, is located between Beppu, one of the most famous hot spring cities in Japan, and Amagase, which was a locally well-known hot spring village that had attracted many tourist groups before OVOP activities began. Younger hotel and other

business owners in Yufuin were looking for ways to manage Yufuin as a sight-seeing village of hot springs before Yufuin OVOP started. The OVOP policy in Oita accelerated this movement through cultural events that attracted urban people such as a movie festival and an organic food hotel fair. Such activities led to Yufuin being called the birthplace of ‘Mura okoshi’, that is, a village renewal project for local revitalization.⁹⁾ Yufuin OVOP is characterized by activities that create new ‘selected one’ services for urban people whose interests are based on interactive networks between rural and urban areas for self-actualization in the countryside. The strategy of the young activists in the Yufuin OVOP is interpreted that they formed regional diversity in cultural aspects of the mutual understanding between rural and urban people. Even though the Yufuin OVOP does not produce a material product but provides services, its OVOP movement functions as a system of high-variety and low-volume manufacturing. The system creates a regional culture of interaction between rural and urban people through regional products, which has a large effect as indicated by triangle (c) on the regional culture axis in the EOR Chart.

The cumulative effect of the OVOP movement for regional vitalization through regional products is shown by part ⑦ in Figure 9 of the three overlapping effects of creating a regional ① society, ② economy, and ③ culture. This overlapping part consists of the three partially combined sections of ④ regional industry by ① and ②, ⑤ social system by ① and ③, and ⑥ consumer behavior by ② and ③. The simple OVOP method of producing regional products is emphasized in this chapter and is attributed to various ideas based on three theories regarding the three factors ① ② ③. Factor ① refers to the theory of internal originating development;¹⁰⁾ that is, the theory of thinking that resources in a region are the main elements of development. Factor ② is based on the theory of today’s consumer society;¹¹⁾ a view that consumption is a main stream for building society. Factor ③ attributes to the theory of social capital;¹²⁾ that ideas to appreciate interactive human relations are a source for social development. The above interpretation of the structure means that a regional one-product policy such as OVOP or OTOP should be discussed in the context of these theories in order to decide how to use the OVOP/OTOP movement for future regional development.

The combined balance in regional industry ④ is symbolized as ‘Only one vs. Number one’ in Figure 10. The effect of the OVOP case of Oyama (a) seems relatively high on the regional society axis although the Oyama OVOP also produces a best-selling product such as ‘shiitake’ mushroom for ‘only one’ product, while the ‘Iichiko’ OVOP (b) has a high effect on the regional economy for forming regional industry. In fact to increase regional community capacity through internal originating development on the producing process of Oyama’s agricultural goods is compared to the success of producing the best-selling good ‘Iichiko’ in the consumer society of today. As for the social system ⑤, the approach emphasizing an identity of too much self-reliance based on the theory of internal originating development tends to make the region a

closed society in comparison to a more open society based on the theory of social capital promoting cultural diversity with the interactive networks across regions. From this viewpoint, Oyama's high effect of self-reliance on the regional social axis is compared to Yufuin's high effect on the regional culture axis derived from people's new value priorities based on human relations called social capital. The balance between ① and ③ is symbolized as 'Self-reliance vs. Networks', while the balance between ② and ③ is symbolized as 'Mass-consumption vs. Self-actualization' regarding consumer behavior ⑥. Consumers appreciating the value priority of self-actualization in an interactive new culture would like to choose a service called 'selected one' from the Yufuin OVOP. This effect of consumer behavior in creating the regional culture axis is compared to the successful effect of the Iichiko OVOP in creating a regional economy through the best seller 'Number one' product in a mass-production and mass-consumption society.

Thus, the evaluation of the effect of OVOP activities from a theoretical perspective may be useful to discuss future trends of OVOP/OTOP characterized by the simple OVOP method of producing excellent regional products with various ideas for regional vitalization. The significance of the regional one-product policy as evaluated by the effect characteristics of the EOR Chart is that activities for regional vitalization may be directed toward extending each effect by keeping a balance between forming a regional community, forming regional industry and forming regional diversity, or directed toward emphasizing just one effect for the particular purpose of OVOP/OTOP on the one axis. In order to make the EOR Chart more useful, indicators scaling the effect on the axes should be prepared more clearly with reference to these background theories.

Conclusion

The reasons for the worldwide expansion of the OVOP approach are discussed in this chapter. This expansion is attributed to the easy usage of the OVOP symbol as a simple method of producing excellent regional products for regional vitalization, while its method seems to result in strong effects on various ideas in creating a regional society, creating a regional economy and creating a regional culture. A government trying to adopt the OVOP method has to know the characteristics of its own regional one-product policy in order to achieve the most useful effects. Although the purpose of governments to adopt the one-product policy for regional vitalization is individually different, sharing information about the significance of OVOP may be necessary for governments to utilize the policy effectively.

Information about the OVOP movement in Oita Prefecture was introduced through the OVOP School in Japan and disseminated to the world during the extended process of the Oita

OVOP movement. After the parallel implementation of the original, extended and new OVOP with various ideas from OVOP activities, the Oita OVOP international exchange committee started providing extensive information about the Oita OVOP. The committee established by Hiramatsu after he left office has played a main part in allowing participants to get information about the Oita OVOP and in programming for the International OVOP Seminar. The Japanese International Cooperation Agency (JICA) has also played an important part in promoting the Japanese OVOP worldwide as the discussions in this book show. Additionally, the International OVOP Policy Association and Asia-Pacific Economic Cooperation (APEC) have contributed to share information about OVOP across the world.¹³⁾

According to our understanding, the combination of a simple method and complex ideas of the OVOP movement and policy sometimes makes OVOP unclear as well as attractive. The unclear and attractive structure of OVOP is illustrated by the EOR Chart presented in this book in order to evaluate the effects of OVOP activities. The Japanese OVOP can be summed up as a policy system introduced to governments in other parts of the world to promote a synthesized approach of various existing activities for regional vitalization through the production of regional goods and services. It is important that governments advancing regional one-product policies should acquire significant policy information regarding the various effects from previous experiences such as the Japanese OVOP and the Thai OTOP discussed in this book.

(Notes)

1. About Hiramatsu's declaration, Hideo Ogata, 'Starting Point of Rural Development and its Progress: Community Development in Oyama-cho', Koichi Miyoshi, Yumiko Okabe and Cindy Lyn Banyai (eds.), *Community Capacity and Rural Development: Reading Material for JICA Training Programs*, Japan International Cooperation Center, 2012. (Koichi Miyoshi (ed.), *Chiiki Ryoku*, 2010, Chapter 4: Japanese version).
2. Morihiko Hiramatsu was the president of this NPO after he left the governor's office of Oita Prefecture and it will be dissolved in 2013.
3. About judging the starting point of the practical policy, Kyungmi Son, 'A characteristic in the way the policy implementation begins: The case of One Village One Product Movement Program in Oita', Ritsumeikan University, *Ritsumeikan Hougaku*, 2010. (in Japanese).
4. About Murayama's framework of OVOP (Analytical approach: Purpose, movement and policy; common factors and unique factors).

| | | Original OVOP | Extended OVOP | New OVOP |
|----------|----------------|-------------------------|----------------------|------------------------------|
| Purpose | common factors | Reducing economic gaps | Regional activation | Diversity of society |
| | unique factors | Community participation | Regional identity | Mutual understanding |
| Movement | common factors | Creativity | Innovative attitudes | Cultural aspects |
| | unique factors | Competitiveness | Global outlook | Local diplomacy |
| Policy | common factors | Promoting sales | Self-reliance | Local creativity |
| | unique factors | Poverty alleviation | Central initiation | Private financial initiative |

5. The EOR Chart was made by Hiroshi Murayama as a technical adviser of the Think Mate Research Co. Ltd, which was established in 2002 based on the Think Mate Square, a university researcher think tank started in 1999. The TMR takes a part in managing the International OVOP Policy Association. (The TMS website address is www.thinkmate-research.co.jp; and e-mail address is office@thinkmate-research.co.jp. The IOPA website address is www.iovoppa.org).

6. Koichi Miyoshi, professor of Ritsumeikan Asia Pacific University in Japan analyzes the transition of the Oyama community on the continuous change of stakeholder's relations. Koichi Miyoshi, 'Why Community Capacity for Rural Development?', *ibid.*, Koichi Miyoshi, Yumiko Okabe and Cindy Lyn Banyai (eds.).

7. *Ibid.* Hideo Ogata about NPC and other activities in Oyama. The report by Oita Isson Ippin 21 Suishinn Kyougikai (2001), *Isson Ippin Undou 20 Nen no Kiroku*, is a comprehensive account of OVOP activities from the beginning. (in Japanese).

8. About 'shochu' OVOP, Kentaro Yoshida, 'Shochu Sangyo no Hattenn Katei to Ciiki Inobeishonn', Kazuhisa Matsui and Susumu Yamagami (eds.), *Isson Ippin Unndou to Kaihatsu Tojyou Koku*, Institute of Developing Economies, Japan External Trade Organization, 2006. (in Japanese).

9. About activities of the Yufuin OVOP, Morihiko Hiramatsu, *Cihou Jiritsu eno Seisaku to Senryakyu-Oitaken no Chosen*, Touyou Keizai Shinpo Sha, 2006 (in Japanese). This book was written by Hiramatsu for his doctoral dissertation of Ritsumeikan University (Policy Science) under the supervision of Dr. Hiroshi Murayama. Dr. Hiramatsu wrote many books about OVOP such as *Cihou karano Hassou* (Iwanami Shoten, 1990.) but the book for his Ph.D was written according to the original academic framework.

10. Reference for the theory of internal originating development, Takehiko Hobo, 'Nihatsuteki Hattenronn', Kennichi Miyamoto et.al. (eds.), *Ciiki Keizaigaku*, Yuhikaku, 1990. (in Japanese).

11. Reference for the theory of the consumer society of today, Seiji Tsutsumi, *Shohi Shakai Hihan*, Iwanami Shoten, 1996. (in Japanese). Jean Baudrillard, *La société de Consommation*, (Japanese translation: *Shohi Shakai no Shinwa to Kouzou*, Kinokuniya Shoten, 1979).

12. Reference for the theory of social capital, Nan Lin, *Social Capital: A Theory of Structure and Action*, (Japanese translation, *Sousharu Kyapitaru: Shakaikouzou to Kouei no Riron*, Mineruba Shobou, 2008).

13. Which organization in Japan can play an important role in sharing information and managing the OVOP workshop for participant's training if the Oita OVOP international exchange committee NPO is closed until April 2013? JICA will continue to be responsible for a part of the task and Japan's Ministry of Economy, Trade and Industry may consider promoting the task with APEC. Additionally an organization is necessary for people who are interested in OVOP to access Japanese OVOP experience and the world trend of one-product policies today. The International OVOP Policy Association is expected to be a general receiver in cooperation with the Think Mate Research Co. Ltd. for its management (see note 5).

A Comparative Analysis of the OVOP/OTOP Administration in Japan and Thailand

Kyomi MATSUOKA

(Reprinted article: Preface)

Introduction

If some policies are stable and others are not, what kind of implementation makes one policy more stable than others? That is the basic question of this paper. It can be assumed that if a government's program to promote a policy is implemented consistently, such a policy would be more stable; the stability of a policy is likely to be influenced by the way its program is implemented by the administrative bureaucracy that promotes the policy. This paper is an attempt to validate this hypothesis. More concretely, this paper verifies the instability of the One Village One Product (hereafter called OVOP) movement of Oita Prefecture, Japan, which collapsed abruptly after the government changed, and compares it with the One Tambon One Product (hereafter called OTOP) movement in Thailand. The comparison shows that Japan's OVOP policy, whose program was implemented by a bureaucracy with an Operation-oriented Type behavior pattern, had an unstable quality; while Thailand's OTOP policy, whose program was implemented by a bureaucracy with an Execution-oriented Type behavior pattern, had a stable quality.

The first section below presents an analytical framework and method with which to investigate how bureaucratic behavior patterns resulted in the termination of the policy in Japan and the continuation of the policy in Thailand. Based on this framework, the second section shows how regime changes affected the development of the OVOP program in Japan and the OTOP program in Thailand. The third section clarifies that the behavior pattern of the bureaucracy in implementing the OVOP policy program was an Operation-oriented Type, in which the secretarial system initiated and stressed 'how to' implement the program before a program system was sufficiently established. On the other hand, the behavior pattern of the bureaucracy in the implementation of the OTOP policy was an Execution-oriented Type, in which the chief cabinet system took the initiative and laid stress on 'what to do' to implement the program when a program system was firmly established. Thus, the paper intends to show that one of the reasons for the difference between the present state of OVOP and that of OTOP

lies in the difference in the ways in which the administrations implemented the programs. These findings provide insights regarding how to promote future regional activation programs that can take advantage of local resources in Japan and Thailand.

Analytical Framework

Compared to the number of studies that focus on how policies are determined and why they continue, little research has been carried out into how and why policies are terminated.¹ Here, the continuation or termination of a policy will be investigated with a focus on the behavior patterns of the bureaucracy, the principal entity of policy implementation.

How is a policy terminated? Traditional studies of policy termination tend to consider the abolition of the organization that implemented a certain policy as the termination of the policy. However, Deleon (1987) points out that the abolition of organizations is rather rare, and that policy termination is a more complicated activity. In addition, Frantz (1995) thinks that it is possible to find certain patterns or regularities in policy termination. Then, how can we explain the reason why one policy was terminated through a political change caused by a regime shift, while another almost identical policy continued even after a similar political change? It is easy to understand that policies may change fundamentally and programs that have been implemented may be terminated under a newly elected administrative head; however, even in such cases, some factors seem to exist that affect the difficulty of terminating existing programs. This paper compares and analyzes the OVOP policy in Japan and the OTOP policy in Thailand to investigate factors underlying the stability of policies.

Table 1 shows the analytical framework that demonstrates how one of the factors, that is, the behavior pattern of the bureaucracy in implementing a program, influences the continuation or termination of policies. The development of Japan's OVOP policy ended due to a regime change, while the Thai OTOP policy continued after a regime change, even though these policies were almost identical. We can see differences in the behavior patterns of the bureaucracy as the background to these phenomena. It is possible to verify that the implementation of the OVOP policy in Japan was promoted through an Operation-oriented Type behavior pattern of the bureaucracy which puts stress on 'how to' implement the program. It can be assumed that the promotion of the program by such a behavior pattern of the bureaucracy made it difficult to establish a system for the program; thus, the OVOP policy became an unstable one and was terminated when the regime changed. On the other hand, the implementation of the OTOP

¹ For an analysis of policy maintenance and policy succession, see Hogwood and Peters (1982). In addition to the analysis of this paper based on the behavior pattern of the bureaucracy, a comparison and contrast between OVOP's termination and OTOP's continuation should be further investigated.

policy in Thailand was promoted through an Execution-oriented Type behavior pattern of the bureaucracy which puts stress on ‘what to do’ for the implementation of the program. It is suggested that the promotion of the program by such a behavior pattern of the bureaucracy made it possible to establish the program system; thus, the OTOP policy became a stable one and succeeded even after a regime change.

| | Policy termination and policy continuation | Bureaucracy behavior in implementation of program |
|--|--|--|
| Unstable quality of OVOP policy and its termination in Japan | Verification of program termination (Table 2) | Verification of operation oriented type of bureaucracy behavior which aimed at "how to do" and did not build a program system (Tables 3, 4 and 5) |
| Stable quality of OTOP policy and its continuation in Thailand | Verification of program continuation (Figure 1) | Verification of execution oriented type of bureaucracy behavior which aimed at "what to do" and built a program system (Figure 3, Table 6) |

Table 1 Bureaucracy behavior patterns in program implementation and the fate of OVOP/OTOP policies.

Source: Author.

Policy Continuation and Policy Termination with a Regime Change

Regime Change and Its Effects on OVOP Policy in Japan

How did the OVOP policy in Japan change after a regime change?

This section describes the overall picture of the OVOP policy in Oita, Japan, from its beginning to its end after a regime change, outlining how the bureaucracy developed a program for the OVOP policy.

| Regime | Term of office | Year | Background of OVOP implementation | Contents of OVOP program | Promotion of OVOP policy in other programs | Stage |
|---|---|----------------------|--|---|---|---------------------------|
| H i r a m a t s u | First (1979—1983) | 1979 | • Governor Hiramatsu declared OVOP • Oita Prefecture code for OVOP promotion fund | none | none | Policy beginning ↓ |
| | Second (1983—1987) | | | • Support for regional self-reliance • Support for technical training • Support for market opening • Human resources | • Operation of Oita Prefecture OVOP boat • Preparation of "OVOP craft park" | Policy establishment ↓ |
| | Third (1987—1991) | 1989 | • Establishment of Oita international exchange foundation | Same as in the second term | • Introduction, advertising, marketing, supply of information about OVOP products in other areas of Japan • "Utilization of OVOP to promote tourism" • "Utilization of OVOP to promote traditional handicrafts by opening Hands-on corner in the park" • "Development of regional culture" | Policy expansion ↓ |
| | Fourth (1991—1995) | | | • Support for regional self-reliance • Support for technical training • Support for market opening • Human resources • Promoting local diplomacy through OVOP | • "Promotion of tourism and advertising" • "Promotion of resorts" • "Promotion of lifelong sports" • "Creation of regional culture" • "Promotion of local diplomacy" | Policy curtailment ↓ |
| | Fifth (1995—1999) | 1999 | • Oita prefecture code for OVOP promoting fund code amended to Oita prefecture code for OVOP promotion and international exchange promoting fund | Same as in the fourth term | • Promotion of lifelong sports • "Promotion of one village one culture" | |
| | Sixth (1999—2003) | 2000 2001 2003 | • Office of OVOP promotion was established • Oita prefecture code for OVOP promotion and international exchange promoting fund was abolished • Disbandment of office of OVOP promotion | Same as in the fourth term | • One village one culture | |
| H i r o s e | First (2003—2007) Second (2007—2011) Third (2011—) | 2005 | • Abolition of Oita international exchange foundation | | | Policy termination |

Table 2 Overall picture of the implementation of the OVOP program.

Source: Summarized by the author based on Oita Prefecture, The Course of Prefectural Government, 1983, 1987, 1991, 1995, 1999, 2003 and 2007.

Table 2 summarizes the contents of the program for the OVOP policy developed by the bureaucracy. This shows how the bureaucracy developed the program, dividing policy implementation into the following stages: beginning, establishment, expansion, curtailment and termination of the policy.² In addition, it reveals the overall picture of the change of the OVOP program that was caused by a regime change.

After the Governor at the time declared the policy in 1979, the OVOP administrative program started in 1983.³ It was at the beginning of the second term of the Hiramatsu administration. Although there was some substantive local promotion of the OVOP program, no administrative program for OVOP had been developed until then. After the policy declaration, however, the bureaucracy developed program support for self-help efforts in local areas, support for improvement of techniques, support for market development, and support for human resources. It is assumed that these four programs were established as concrete content for the OVOP movement and that they continued until the programs were aborted under the Hirose administration. After that, the bureaucracy added the promotion of OVOP Local Diplomacy to the established programs for OVOP and made connections with other programs as well. However, although these OVOP programs were established and then continued for a long time, they disappeared without trace soon after the regime change.

Regime Change and Its Effects on OTOP Policy in Thailand

How did the OTOP policy in Thailand change after a regime change?

This section shows the overall picture of the development of the OTOP policy, which resembles the OVOP policy in Japan, through political changes until the present,⁴ and points out that the continuous implementation of the OTOP program is based on the promotion of the OTOP Fair project.

Figure 1 shows how Thai regime changes influenced the OTOP program. The OTOP policy began under the Thaksin administration, and has continued through different regime changes even until now, although there was a period when the administration tried to avoid using the name OTOP.⁵ The changes also reflect conditions regarding the OTOP Fair project, which was promoted as an OTOP program project. The number of OTOP Fairs per year has varied, but the Fair has not been abolished due to any regime change, and the OTOP policy has been continuously promoted by the bureaucracy.⁶ Sales figures as a result of the OTOP policy

² See Son (2012: 143—155) on the verification of bureaucratic behavior in the OVOP program from its beginning to its termination.

³ See Son (2010: 49—57) on the verification of the starting point of the OVOP policy.

⁴ According to Fujioka (2006).

⁵ See Son (2011).

⁶ Mr. Pison Pratarnchawano, Deputy of the Community Development Division of the Deputy

decreased in 2009, but have increased annually since then, providing further proof that the OTOP policy has been continuously implemented in spite of regime changes.

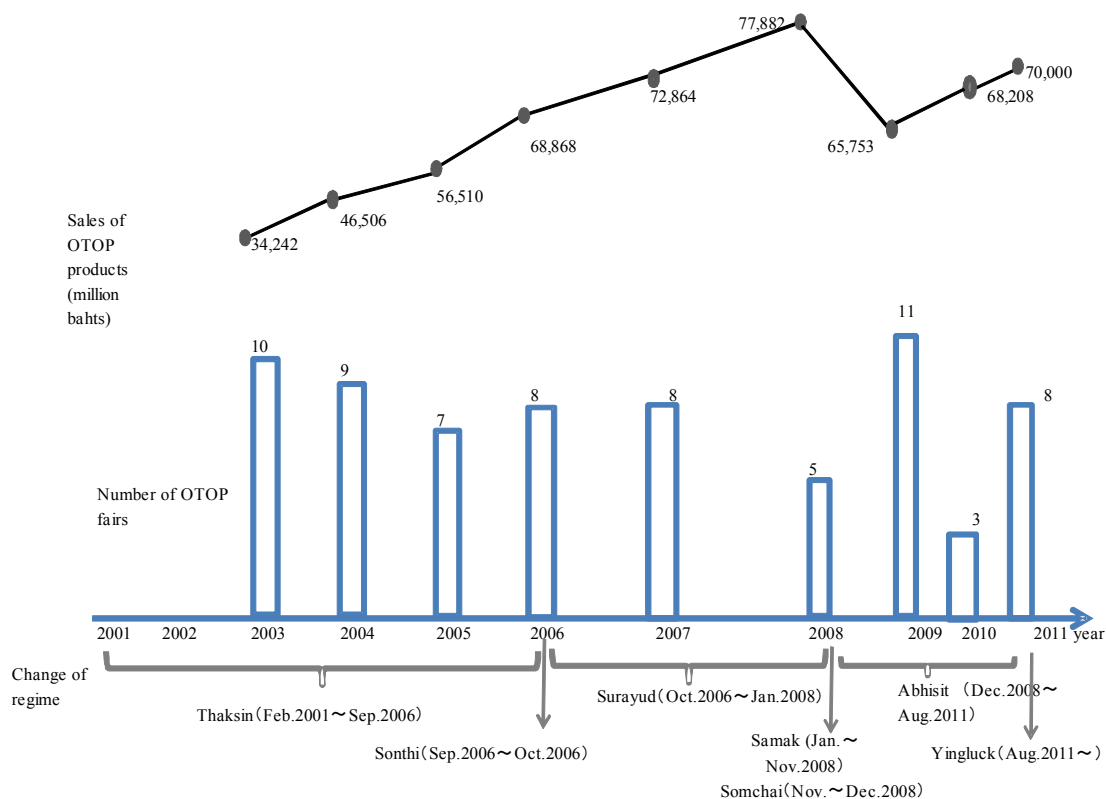


Figure 1 Overall picture of the implementation of the OTOP program and political changes.

Source: Summarized by the author based on internal documents from the Office of Small and Medium Enterprises Promotion: www.otoptoday.com/about/otop-ten-years (accessed March 22, 2012) and <http://www.thaitanmbon.com/OTOP/OTOPFairs/Summary3.htm> (accessed April 1, 2012).

Verification of different behavior patterns of the bureaucracy in policy implementation

Behavior pattern of the bureaucracy in the development of the program that ended up in policy termination (OVOP in Japan)

Director-General, said that due to the regime change there was some influence on OTOP fairs, such as the amount of budget for the fairs, but that they kept promoting the fairs as a part of the responsibilities of the CDD. (Interview, February 21, 2012).

Why was the OVOP policy started?

The OVOP policy was advanced for regional development under the strong leadership of Governor Hiramatsu. Governor Hiramatsu actively toured the whole prefecture and observed how residents were struggling for local revitalization. At the same time, he also felt a ‘lazy’ atmosphere in the prefecture, with some people trying to avoid troublesome projects and having a negative attitude, with mere words without real actions.⁷ Governor Hiramatsu thought that the people of Oita needed to change their consciousness from a negative attitude to an optimistic one in order to develop their region through the OVOP movement. He thought that local revitalization required a system to support self-motivated people, not those who were led by the administration.⁸ That is why Governor Hiramatsu devised the OVOP policy which started with his declarations in a Liaison Meeting with Town Mayors on November 26th, 1979, and in a Liaison Meeting with City Mayors on December 4th, 1979. In addition, Hiramatsu announced the enforcement of the OVOP policy in the Oita Prefectural Assembly. Interestingly, Governor Hiramatsu did not set up a department to be in charge of the OVOP policy because he thought that it should be promoted by individual regions themselves.

How was the OVOP policy promoted?

Generally speaking, once the implementation of a policy is announced, a department in charge of implementation will be appointed. However, the implementation of the OVOP policy was different from common policy implementation. Immediately after Governor Hiramatsu declared the implementation of the OVOP movement policy, municipalities in Oita Prefecture actively made an effort to implement it. In reaction to such efforts, the prefecture commended those who were actively involved with OVOP policy in each municipality. At that time, Representative Biguchi asked the Governor to establish a department that would be responsible for the development of the OVOP policy.⁹ In response to this, Governor Hiramatsu clearly declared the way to promote and carry out the program for OVOP: that no department would be established to implement the OVOP program and no budget would be provided to promote it. In order to attain the goal of the policy, which was for each region to revitalize its own community, Governor Hiramatsu avoided the use of a hierarchical structure of bureaucratic departments, which was the usual rational behavior of policy implementation. In other words, by removing rational structures, Governor Hiramatsu created an environment where every department of the bureaucracy could be involved in the implementation of the OVOP policy.¹⁰

⁷ See Yamagami (2007:151-166).

⁸ Interview with Governor Hiramatsu held on February 1, 2010. See Hiramatsu (1990) and Hiramatsu (2006).

⁹ Oita Prefecture, *Congressional Documents*, March 9, 1981, p 31.

¹⁰ See Son (2010) for a more detailed discussion.

Explicitly directed by the governor to implement the policy without a department in charge, Table 3 shows how the bureaucracy developed the OVOP policy. The bureaucracy promoted the policy by adding the contents of the OVOP policy to existing projects. The Agricultural Department tried to develop the OVOP policy using this method, by opening up a ‘One Village One Product Hall’ in the existing Agricultural Fair, so that the OVOP policy in various regions could be demonstrated at the Fair. The Commerce, Industry and Labor Department addressed the OVOP policy within a tourism framework, and the Forestry and Fisheries Department associated the OVOP policy with ‘shitake’ mushroom cultivation support and existing promotion plans. This means that several departments were involved in the implementation of the OVOP policy.

| Related divisions | Bureaucracy actions to implement OVOP program | Source |
|-----------------------------------|--|--|
| Division of Agriculture | Setting up booth for "One village one product" at the Agriculture Festival held on 17th Oct. 1980 | Oita Prefecture, One village one product movement: A record of 20 years, 2001. p.30 |
| Division of Commerce and Industry | OVOP related exhibition at the First Food Culture Fair at a cattle ranch on 23rd Nov. 1980 | Oita Prefecture, One village one product movement: A record of 20 years, 2001. pp 30-33 |
| Forestry and Marine Division | "We will promote regional revitalization using <i>shitake</i> mushrooms . . . in relation to OVOP" | Oita Prefecture, Congressional Documents, 27th Feb. - 28th Mar. 1981. p.21 (response from general manager of forestry and marine division) |

Table 3 Actions taken by the bureaucracy around the start of the OVOP policy.

Source: Summarized by the author based on Oita Prefecture, One village one product movement: A record of 20 years, 2001 and Oita Prefecture, Congressional Documents, 27th February to 28th March, 1981.

What kind of behavior pattern did the bureaucracy adopt in order to develop the OVOP program?

As described above, the bureaucracy began to promote the OVOP program by adding OVOP contents to existing projects. Table 4 summarizes what the bureaucracy did in order to develop the OVOP program. These actions included: a local specialties development and promotion project; an OVOP promotion project; OVOP enhancement funds; and, a local specialties development and training program project. However, these projects were not implemented under any independently provided OVOP development program. There was no system for program implementation of any concrete efforts toward the realization of the OVOP policy in this period. The bureaucracy developed programs for the OVOP movement by superimposing the contents of existing programs and projects on contents related to OVOP, and thus tailored

the projects of the OVOP program. Here, by basically concentrating on ‘how to’ implement a program, the bureaucracy tried to position its behavior as creating a program involved in the Comprehensive Plan, which can be called the operational guidelines of the bureaucracy.

| Use of the framework of existing programs and projects | Details of the Project | Project Name | Year | Name of General Plan | Relation to OVOP program in plan |
|--|--|---|------|---|----------------------------------|
| ○ | Subsidy of necessary costs for discovery, research and development trial sales of regional special products OVOP promotion committee implements projects, honors and trains people working on OVOP Subsidy in order to develop specialty products Subsidy for costs to foster development of regional speciality crops and increase their consumption | Project for promotion of regional special products OVOP movement promotion project OVOP enhancement funds Local specialties development and training project | 1978 | Oita Prefecture General Plan | |
| | | | 1980 | Oita Prefecture General Plan - primary promotion plan | |
| | | | 1981 | | |
| | | | | | |
| | | | | | |
| | | | 1983 | Oita Prefecture General Plan | ○ |
| | | | 1990 | 21st Oita Prefecture General Plan | ○ |
| | | | 1999 | Oita New Century Creation Plan | ○ |
| | | | 2005 | Oita Prefecture Long-range Plan | |
| | | | 2011 | Oita Prefecture Long-range Plan (revised version) | |

Table 4 Position of programs in the Administrative Plan and actions related to program implementation.

Source: Summarized by the author based on Oita Prefecture, Congressional Documents, 1979-1983 and Oita Prefecture, The Course of Prefectural Government, 1983.

The bureaucracy promoted programs and constructed a system for these programs by associating them with the planned administration. Table 5 summarizes how the contents of the system for OVOP programs changed. In the Comprehensive Plan of 1983, the contents of the projects shown in Table 4 were the main contents of programs. In later Comprehensive Plans, the contents of programs were expanded. Thus, although the contents of programs were developed, the development was only through the bureaucratic addition of the contents of OVOP programs to other programs. As a result, the system of OVOP programs constructed by the bureaucracy was basically a guideline created in association with the planning administration; therefore, it did not define ‘what’ to do, but focused on ‘how’ to do it. It was difficult for such a system to become a stable one.

| General Plan | Year | Contents of OVOP program system |
|-----------------------------------|------|--|
| Oita Prefecture general plan | 1983 | Promotion of honoring and training people working on OVOP, improvement of processing skill, improvement of distribution and expanding consumption |
| 21st Oita Prefecture general plan | 1990 | Promotion of honoring and training people working on OVOP, improvement of processing skill, improvement of distribution and expanding consumption, human resources |
| Oita new century creation plan | 1999 | Promoting spread and enlightenment for OVOP, fulfilling OVOP support system, improvement of processing skills, establishment of Oita brand and promoting local exchange, human resources, promotion of variety of intercommunion opportunities through OVOP, creation of regional life culture, promoting regional multiple industrialization |

Table 5 Change of contents and characteristics of systems built for the implementation of the OVOP program.

Source: Summarized by the author based on Oita Prefecture General Plans above.

Behavior pattern of the bureaucracy in the development of the program that allowed the policy to continue (OTOP in Thailand)

Why was the OTOP policy started?

The 1997 Asian financial crisis aggravated the problem of an urban and rural gap in Thailand. According to Kaewanotham (2008) the Thai economy had been developing steadily through the investment of foreign capital after the mid-1980s. However, foreign capital was invested only in urban areas and in certain kinds of industries. As a result, this caused depopulation in rural areas and the aggravation of the urban and rural gap. When the Asian financial crisis occurred in Thailand in 1997, Thailand entered into a long recession. The economic crash spread in rural areas and poverty surfaced as a significant problem.

Thaksin Shinawatra, who had made a large fortune from various business ventures, used this wealth to form the Thai La Party. According to Fujioka (2006: 155) Thai people had high expectations for Thaksin's economic policy skills, which formed the background for the landslide victory of his party and Thaksin's election as prime minister in the general election in 2001. After becoming prime minister, Thaksin initiated a regional revitalization policy, mainly for rural areas. Takei (2007) and Watunyu (2010) point out that Thaksin had a political reason for this policy; that is, to win over supporters in rural areas, who account for 80% of Thailand's population. The OTOP policy was the government's feature policy to promote regional revitalization. According to Nagai (2003: 303), the Thaksin administration started the OTOP policy in reaction to criticism of the Chuan regime's neglect towards rural areas and the socially weak. The implementation of the OTOP policy was a performance by Thaksin to realize his campaign promise of 'grass-root policies'.

How was the OTOP policy promoted?

The Thaksin administration executed the OTOP policy under the guidance of the prime minister in order to promote OTOP as a symbol of the Thaksin regime. The implementation of OTOP was promoted under the master plan of the Office of the Prime Minister, centering on the ‘Community Development Section’ of the Ministry of Public Management in cooperation with the Ministries of Commerce, Agriculture, Education and TAT (Tourism Authority of Thailand). The central government wanted the OTOP policy to achieve quick results and gave it full support. In order to support OTOP policy implementation, a department to preside over the OTOP policy was established in the central government. The system of OTOP policy implementation is shown in Figure 2.

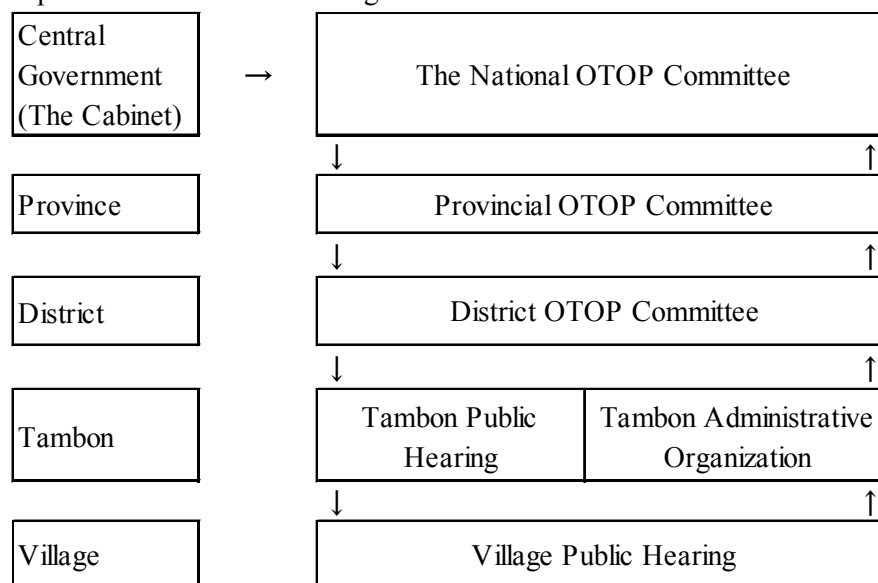


Figure 2 The system of OTOP implementation in Thailand.

Source: Fujioka (2006).

The OTOP policy was organized hierarchically: the National OTOP Committee was at the top followed by the Office for OTOP Promotion controlled by the Office of the Prime Minister; following that were the Provincial OTOP Committee, the District OTOP Committee and the Tambon Administrative Organization. The National OTOP Steering Committee under the direct control of the Office of the Prime Minister was at the center of a multi-layered support system consisting of both public and private organizations. This system was established in order to overview various support activities organized by government bodies for the benefit of producers. The roles of the National OTOP Committee were: to decide on policies, strategies and master plans in order to efficiently coordinate projects and budgets of related ministries and government offices; to set standards to choose OTOP products; to make the list of OTOP products; and, to advise the cabinet. In other words, one of the characteristics of OTOP is policy

implementation based on top-down decision making centering on the line of Chief Cabinet departments.

What kind of behavior pattern did the bureaucracy adopt in order to develop the OTOP program?

While the OTOP policy was started centering on Chief Cabinet departments, how did the bureaucracy develop the OTOP program? We can see the answer to this question from the ‘Roadmap’ of the bureaucracy’s development of the OTOP program summarized in Figure 3.

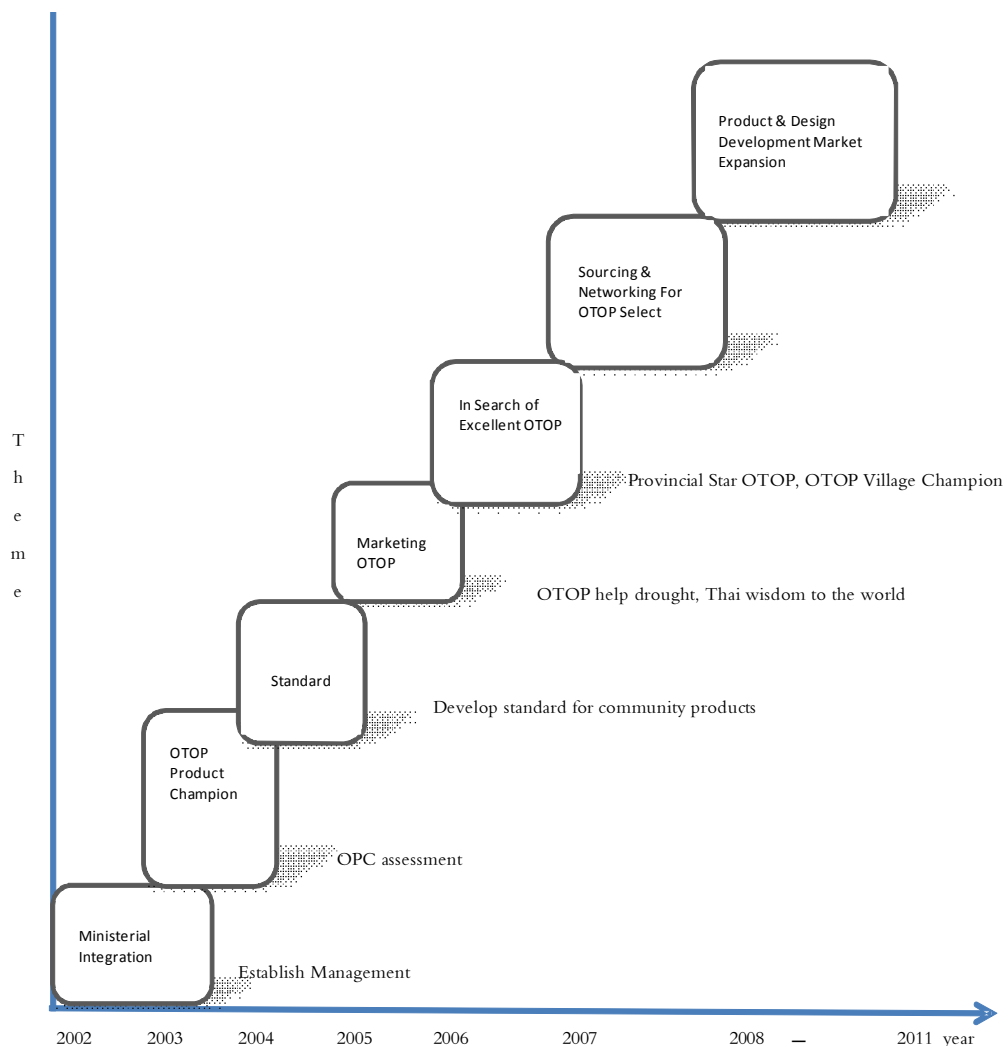


Figure 3 OTOP Roadmap from 2002 to 2011.

Source: Summarized by the author based on internal documents from the Office of Small and Medium Enterprises Promotion and presented by the Head of the Community Development Office of Khon Kaen Province, in a JICA Third-Country Training of OVOP held at Khon Kaen University, on December 12, 2011.

| Regime change | Year | Movement to formulate implementing program system by bureaucracy | | |
|---------------|------|---|---|--|
| | | Central government | Khon Kaen province | |
| | | Commitment to implementation of OTOP program | Movement to improve OPC | Movement to improve OTOP registration system |
| ○ | 2001 | Creation of administrative mechanism integrating all government sectors to promote OTOP | | |
| | 2002 | OTOP Project strategy action plans for project implementation by National OTOP Committee | | |
| | 2003 | <u>OPC (OTOP Product Champion) Implementation</u> First OTOP National Fair | | |
| | 2004 | <u>Establishment of OTOP registration</u> | | |
| | 2005 | Smart OTOP, OTOP Premium | | |
| | 2006 | Provincial Star OTOP /OPV (OTOP Village Champion) | | |
| | 2007 | KBO (Knowledge Based OTOP) | | |
| | 2008 | OPV (OTOP Village for Tourism) and KBO (Knowledge Based OTOP) | | |
| | 2009 | OTOP registration OPC (Operation of Product Classification) OTOP KBO Contest Young OTOP Camp Launch of First OTOP Regional Fair | Addition of classification of OVOP products to the category of product quality in OPC | |
| | 2010 | OPC OTOP OPV KBO Contest 2010 OTOP Fair at Regional Level OTOP Fair at National Level OTOP City 2010 | Addition of classifications based on market potential development and quality of products in world market and contribution to community's accumulated knowledge | CDD (Community Development Department) formulated OTOP program 2010. By making a database of all OTOP information, CDD creates various OTOP networks |
| | 2011 | OTOP with proactive strategy / OTOP delivery / OTOP Mobile to the Factory / Focus on local community youth development in raising awareness of local Increase effectiveness of OTOP network at a national level | | |

Table 6 Contents of the movements to formulate an implementation system for the OTOP program by the bureaucracy.

Source: Summarized by the author based on internal documents from the Office of Small and Medium Enterprises Promotion, presented by the Head of the Community Development Office of Khon Kaen Province in a JICA Third-Country Training of OVOP held at Khon Kaen University, on December 12, 2011; and from <http://www.otoptoday.com/about/otop-ten-year> (accessed on March 22, 2012).

This shows how a bureaucratic organization was formed for the implementation of the OTOP policy in 2002, and how the contents of the program were developed. Of particular interest is

the OTOP Product Champion. According to the Ministry of Economy, Trade and Industry this was a major annual event to select high quality OTOP products and classify them according to their market potential so as to promote them commercially. This was the foundation of a systematic program constructed at the onset of the OTOP policy. With this foundation, the OTOP program was developed, taking the steps shown on the Roadmap.

Table 6 analyzes the development of the OTOP program by the bureaucracy in more detail. After the declaration of the OTOP policy by the Thaksin administration, the central government bureaucracy formulated strategies and execution plans for the implementation of the OTOP program. At the center of the development of the program were the OPC system and the OTOP registration system. The OPC system classifies and ranks OTOP products based on their quality. The OTOP Fair was held based on the OPC system. Other projects, such as competitions and camps, were promoted after the Fair, establishing a system of programs centering on the implementation of the OPC system and OTOP registration system. This exemplifies a system of ‘what’ to do followed by ‘how’ to do it, with the behavior pattern of an Execution-oriented Type.

The bureaucracy of Thai local governments deepened the central government’s structure of systems to implement programs, aiming to improve the quality of products by adding a grading star system to make the OPC system more concrete and by making an OTOP information database based on the OTOP registration system.^{1 1} Building on these various movements, the central government bureaucracy aimed at furthering the international development of the OTOP program.

In this way, the bureaucracy took action centering on ‘what to do’ for the implementation of the OTOP program, creating content and constructing a stable program system. As a result, it can be assumed that the bureaucracy was able to continue implementing OTOP programs as administrative programs, in spite of some political changes. Thus, the behavior pattern of the bureaucracy in implementing the OTOP program in Thailand was clearly an Execution-oriented Type, which seeks rationality in system structure in order to pursue what to do.

Conclusion

This paper has argued that the behavior patterns of a bureaucracy in the implementation of a program can make a policy stable or unstable, and can become a part of the background of policy termination or policy continuation. In analyzing Oita Prefecture’s termination of the

^{1 1} Interview with Mrs. Pensupa Sirisawat, chief of the Community Development Office of Khon Kaen Province, held on December 12, 2011.

OVOP policy, and the continuation of the OTOP policy that developed nationwide in Thailand, this paper has pointed out that a bureaucracy's different behavior patterns in the implementation of a program could be a factor to determine the nature of policy. It has shown how the OTOP policy, supported by the bureaucracy with an Execution-oriented Type of behavior pattern, aimed at 'what' to implement and the creation of a stable program system allowed the policy to continue in spite of political changes. On the other hand, the OVOP policy, supported by the bureaucracy with an Operation-oriented Type of behavior pattern, aimed at 'how' to implement the program, but could not construct a program system and as a result the system's brittle and fragile nature led to policy termination after a political change. In other words, it can be suggested that even similar policies could have different destinies according to the behavior patterns of the bureaucracy that implements a program. However, this does not mean that a stable policy is superior to an unstable policy with an insufficient system structure for the implementation of a program; for a hard-to-change policy is not necessarily a good one. The framework of program implementation created by a bureaucracy with a certain behavior pattern can be solid or fragile, and either type has both good and bad points. The importance of the findings here is that differences in behavior patterns of a bureaucracy in implementing a program can affect the contents of the program to be implemented, the contents of the policy it realizes, and the contents of concrete projects to be conducted for implementing the program. Such behavior patterns of an administrative bureaucracy, that is, the ways of implementing a program, are factors that should be noted in considering the possibility of the nationwide development of OVOP in Japan and OTOP's individual development in various regions in Thailand.

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