One Village One Product (OVOP) Movement

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Takafumi Ueda
Senior Advisor on Private Sector Development
Japan International Cooperation Agency (JICA)
Today’s agenda

- Origins of One Village One Product (OVOP): Oita Prefecture, Japan

- What is OVOP?

- OVOP in other countries
ORIGINS OF OVOP
Economic development of Oita Prefecture

Investment can be induced to the coastal areas.

How about mountainous areas?
Challenges at the time

- Migration from rural to urban areas.
  - Urban congestion & pollution
  - Rural de-population & accelerated ageing
  - Young people leaving. No successors.
- Mindset in rural communities
  - “We have ‘nothing’.”
  - Dependency syndrome → Expected help from outside
    - People expected support from the governments
  - “All we had plenty was jealousy.”
An origin of OVOP – Oyama Town

- Average annual income in Oyama Town was half of an average in Oita Prefecture.

http://www.oyama-nk.com/rinen/sekkei.html
A vision

Government policies
- National government promoted rice cultivation.
- Prefecture promoted animal husbandry.

Mr. Yahagi became head of Oyama Agricultural Cooperative in 1954.
- From a local rice wine making family. (Knew about “business”.)
- Advocated need for employment attractive for young people
  - Higher income
  - Eight hour work days
  - Three day holidays per week
- They needed something other than rice and cows.
Sense of crisis: “There will be no young people left.”

- Preparation
  - Intelligence: Visited many places around Japan
    - Producers
    - Markets
    - Potentials
  - Persuaded young people
    - Stories of successful examples

- In 1961, started an “NPC Movement”
  - NPC = New Plums and Chestnuts
  - Slogan: “Let’s plant plums & chestnuts and go to Hawaii.”
“Centipede” agriculture strategy

- Plums were a success.
  - Chestnuts were not. → Abandoned.

- Diversified products (They decided to stand on a hundred legs.)
  - Vegetables
  - Mushrooms
  - Herbs
Agro processing

- Ideas came from Kibbutz (Israel) (through study tour)
  - Jams, juices, snacks, pastries, ice-creams
  - And plum wine.
Konohana Garten

Shop & restaurant (with local products/ingredients)
Opened in 1990
Annual sales 16 bil. Yen
Annual visitors 1.9 mil.
8 shops in Oita Pref.&1 in Fukuoka
Managed by Oyama Agri. Coop.

Hibiki No Sato

Plum Wine Shop, Factory, & Hot Spring Complex
- Local product shop
- Accommodation
- Hot-spring
- Restaurant
- Workshops
- Meeting facilities
- Plum wine factory (with Nikka Whisky Distilling Co., Ltd.)
Managed by a Public-Private joint-stock company
Another example: Yufuin

- Yufuin is a hot-springs town located in Yufu Basin.
- In addition to hotels & inns, it has various museums and shops.
- Four million tourists visit Yufuin every year.
Yufuin history

- Used to be a farming community with some hot-spring inns.
- 1952: A large dam construction plan triggered heated discussions between farmers & inn owners.
- 1970-72: Large-scale development plans (golf course, safari park, etc.) led to another round of discussions.
- 1975: Yufuin suffered from a major earthquake.
- 1975-79: A series of new tourism initiatives started:
  - Horse carriages
  - “Beef-tasting & Shouting Festival”, Yufuin Film Festival
Start of OVOP Movement

In 1975, Dr. Hiramatsu was appointed Vice Governor of Oita Prefecture.
- Visited throughout the Prefecture, found initiatives such as Oyama & Yufuin.

In 1979, after elected as Governor, he started “One Village One Product Movement”.

Japan International Cooperation Agency
One Village One Product (OVOP)

A “movement” in Oita Prefecture started by Governor Hiramatsu in 1979.

- Based on existing local initiatives.

“To develop our own initiatives by identifying and making use of locally available resources with global perspectives.”
WHAT IS OVOP?

... and how it was done in Oita?
What is OVOP?

- Originally called “OVOP Movement”
  - Mobilize people

- OVOP as Public Policy:
  - To develop communities by promoting business activities….
It’s a positive approach based on local advantages.

- Focuses on what you have, NOT what you don’t have.
  - Local resources (”treasures”)  

Local resources could be:
- Agricultural, forestry, fishery resources
- Mineral resources
- Tourism resources (natural environment, landscape, cultural heritage, history, festivals, local food/drinks)
- Human resources (technical skills, traditional skills, entrepreneurship, lifestyles)
OVOP is often misunderstood

“One Village One Product”

- Needs to be “Village”? – No, depends on the country.
  - e.g., OTOP (Thailand), ODOP (Laos), OLOP (Nigeria)
- Only “One” product? – No, at least one.
  - The more, the better.
  - Diversify against risk & cope with seasonality.
- Only “Product”? – No, can be service.
  - e.g., tourism
Three principles of OVOP

- Local yet global
  - Develop unique products & services utilizing local resources
  - Aim at being only one in the world
  - Not necessary to export

- Self-reliance & creativity
  “Prefecture helps those who help themselves.”
  = Promote Entrepreneurship

- Human resource development
  Nurture those people who could practice the other two.
Principle 1: Local yet global

- Local resources as a driving force
- Identify/develop unique “product” or service (= the only one in the world).
  → Competitive advantage
- Aims at niche market (↔ Mass production)
- Start with one product. Better to have more.
  - To diversify & reduce risks
  - To cope with seasonality
Principle 2: Self-reliance & Creativity

Self-reliance: People’s own initiatives

- It’s a business activity; benefits & risks for them. (No one else.)
- Others (incl. governments) should NOT undermine their self-reliance.
  - In Oita case, direct subsidies were not provided to local people under OVOP.
Principle 2: (continued)

Self-reliance and Creativity

- Add value to products through unique ideas.
- Must be what customers want to buy
- “Outside people, young people & crazy people”
Principle 3: Human Resource Development

- Human resource development through business.
- Getting business mind makes local people strong. (= entrepreneurship)
Roles of Prefecture Government

What they did NOT do:

• No new subsidies or loan schemes (← Not to undermine self-reliance)
• Not assign one technical department to be responsible

What they did:

• Promote OVOP initiatives
• Encourage use of existing support schemes, both prefectural & national
• Human resource development
• Support to explore markets
1. Promote OVOP initiatives

- Governor proposed the idea at meeting of heads of municipalities.
  - From 1979 to 81, he visited all the municipalities and had meetings with people.

- Campaign (PR magazine, TV ads.)

- Gave Awards to good practices
  - First awards in 1981 went to Oyama and Yufuin.
2. Encourage use of existing schemes

- Became a platform for people to use existing support schemes and programs by Prefectural and National governments.
  - Governor’s Office coordinated
  - Encouraged communities to request support from departments and institutions.
    - National schemes (e.g., MAFF subsidies)
    - Prefectural technical centers (e.g., Agro-processing Guidance Center, Floriculture Guidance Center, Marine Products Processing Guidance Center)
3. HRD & 4. Markets

- Human Resource Development
  - Leadership development courses
  - Sectoral courses
  - Youth & women courses

- Support to explore markets
  - Top sales by Governor
  - "Oita Fair in Tokyo"
  - Oita OVOP Inc. (by a local department store)
Some products became national brands:
- Dried *shiitake* mushrooms
- *Kabosu* limes
- Greenhouse tangerines
- *Bungo* beef
- *Mugi-shochu* liquor

One million tourists annually

All the 58 cities/towns/villages carried out their own initiatives.

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product development</td>
<td>338</td>
</tr>
<tr>
<td>Community development</td>
<td>111</td>
</tr>
<tr>
<td>Local facilities building</td>
<td>148</td>
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<tr>
<td>Environmental preservation</td>
<td>80</td>
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<tr>
<td>Local culture preservation</td>
<td>133</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>810</strong></td>
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OVOP IN OTHER COUNTRIES
OVOP was promoted internationally ....

- By Oita
  - Governor’s presentations overseas
  - Visits to Oita Prefecture from other countries
    → China, Philippines, Malaysia, Thailand, Indonesia, Cambodia, Mongolia, etc.

- At international forums
  - WTO Development Initiative (2005) -> To developing countries
  - Tokyo International Conference for African Development (TICAD IV) (2008) -> To countries in Africa

- JICA
  - Technical cooperation cooperation.

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<thead>
<tr>
<th>Asia</th>
<th>Africa</th>
<th>Latin America</th>
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<tbody>
<tr>
<td>Vietnam</td>
<td>Malawi</td>
<td>Chile</td>
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<td>Lao PDR</td>
<td>Kenya</td>
<td>Peru</td>
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<td>Thailand</td>
<td>Uganda</td>
<td>Columbia</td>
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<td>Bhutan</td>
<td>Mozambique</td>
<td>(Argentina)</td>
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<td>Kyrgyz</td>
<td>Ethiopia</td>
<td>El Salvador</td>
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<td>Armenia</td>
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<td>Senegal</td>
<td>Honduras</td>
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<td>Zambia</td>
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Thailand’s OTOP

“Thailand's OTOP project encourages village communities to produce and market unique products and handicrafts hand-made from locally available materials utilizing local wisdom and skills handed down from generation to generation.”

(http://www.tatnews.org/emagazine/2178.asp)

- Five-star system
- Various ministries are involved.
JICA’s involvement

- Sharing experience
  - Training in Japan & other countries (e.g. Thailand)

- Build local capacities
  - Sending advisors
  - Technical cooperation projects
OVOP varies by country

- All based on Three Principles & promote businesses

- What they aim at in short-term is different
  - Promote individual businesses (+ benefits through value chain)
  - Promote community-wide initiatives (i.e. inclusiveness)

- Existence of support schemes
  - Finance, Business Development Services (BDS)
  - Support for inclusiveness
  - Support from ministries, DPs, Private Sector

- May depend on how familiar people are with market economy.
By the way, BDS means …

• All services to promote businesses that are NOT financial:
  – Training/seminars (esp. management)
  – Consulting services
  – Marketing support
  – Business-related information
  – Technology development & transfer
  – Business linkages (matching, etc.)
  – And others…

Positioning of OVOP

Two sub-brands

- OVOP Entrepreneurship
  - Kenya
  - Vietnam
  - Malawi
  - Mozambique
  - Lao PDR
  - Ethiopia

- OVOP Community Development
  - Armenia
  - Colombia
  - Kyrgyz
  - Bhutan
  - Thailand

Support schemes (Public & Private)

- Business development-oriented
- Community development-oriented

Inclusiveness
Kenya

Aloe products

Banana chips

Herbal products

Soap stone handicrafts

Flour & Dried fruits

Mushroom powder

Horn handicrafts

Yogurt

Japan International Cooperation Agency
Business Development Seminar (5 days)

Day 1
OVOP introduction, getting to know each other

Day 2
Book-keeping, profit & loss

Day 3
Marketing theory, local visits

Day 4
Introducing business partners, business matching forum

Day 5
Action plan development, presentation
Technical training & marketing support

- Support for HRD
- No subsidies/loans
  - Provide opportunities (e.g. matching)
Marketing platforms for product development & improvement

- **Communities**
- **SMEs**
- **Cooperatives**

**Products/Services**

**Platform of communication between producers & market (consumers)**

**Opinions about products/services**

**Consumers**

**Outsiders (e.g. young people)**

### Category | Examples
--- | ---
**Events** | *Onpaku*, festivals, fairs, idea contests, study tours
**Test marketing** | - Target (e.g. women in 20s, foreigners)
| - Means (e.g. questionnaires, voting)
**Shops** | Antenna shops, *Michi-no-eki*, stalls in supermarkets

アルメニア「地方産品開発及びブランド化振興プロジェクト」より

Japanese International Cooperation Agency (JICA)
Division of Labor

**OVOP Association**
- Production
- One leader
- Five board members
- 136 CBOs
- 1,500 participants

**“OVOP + One” (NGO)**
- Logistics
  - Buy inputs
  - Production mgt
  - Quality control
  - Packaging
  - Inventory control
  - Distribution
- Manage stores
- Export to foreign buyers
- Coordinate with other organizations

**CBO**: Community-based organization

**Foreign countries**

**Buyer**

**Kumtor Gold Company**

**JICA GIZ Etc.**

**Embassy of Japan**

**Bishkek Store**

**Karakol Store**

**Mini-stand**
Cf. Case of *Oyama*

**Cooperative / P-P Company**
- Manage stores (in/out town)
- Manage collection facility
- Transport
- Provide mkt info
- Product development
- Sales promotion

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Customer → Cooperative / P-P Company → Shop (@Town) → Collection facility → Farm

• Manage stores (in/out town)
• Manage collection facility
• Transport
• Provide mkt info
• Product development
• Sales promotion
GO TO MR. UCHIKAWA’S PRESENTATION
LASTLY, ...
Successful OVOP includes …

<table>
<thead>
<tr>
<th>Advocacy</th>
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<tbody>
<tr>
<td>Building people’s capacities</td>
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<tr>
<td>• To identifying local resources (“treasures”)</td>
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<tr>
<td>• To develop products/services</td>
</tr>
<tr>
<td>• To expand/secure markets/customers</td>
</tr>
<tr>
<td>• To manage business (e.g. book-keeping)</td>
</tr>
<tr>
<td>Practical roles of the government</td>
</tr>
<tr>
<td>• Support HRD</td>
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<tr>
<td>• Facilitate services</td>
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<tr>
<td>• Provide platforms</td>
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<tr>
<td>• Should NOT undermine self-reliance</td>
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<tr>
<td>Continuity is power.</td>
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Our advice

Promote business initiatives

- Support schemes
  - Advocacy
  - HRD for (community) business
  - Promote BDS, if not available
  - Collaborate with other Development Partners
- Provide opportunities to try business
  - Provide opportunities to interact with market/customers
  - If appropriate, develop marketing organizations (e.g. Antenna shop, Roadside Station)
  - If ready, develop regional brands

Use of community development tools  D-HOPE

Use of digital technologies
Suggestions to FAO

• Use your convening power
  – Assessment based on a common framework
  – Share experience among countries & organizations

• Provide specific expertise: e.g.
  – Food safety
  – Geographical Indications (GI)
Thank you!

For further inquiries:
Ueda.Takafumi@jica.go.jp