



Case Study ‘One Village, One Product (OVOP)’

Egypt Network for Integrated Development

Case Study 010

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Introduction:

The development concept of 'One Village, One Product' (OVOP), was advocated in Japan in 1979, by Dr. Morihiko Hiramatsu Governor of Oita prefecture. The idea behind the concept is that each town/district should have at least one competitive product that is 'distinctively its own' to offer to the market. In other words, communities selectively produce goods with high added value. One village produces one competitive and staple product as a business to gain sales revenue to improve the standard of living for the residents of that village.

Reasons behind its adoption in Japan were to minimize depopulation of often rural areas, find and nurture products/industries that could positively affect each region, and prevent economic dependency upon government. Over 300 products in Japan have been selected to date to implement this project.

The project was initiated through the implementation of a number of stages. First of all, Dr. Hiramatsu proposed the movement to local leaders. He then delivered a number of lectures to people of all sectors in all the regions of Oita in regards to the movement. As a result, the movement was further broadcast through the mass media. Following that, technical support was established through research and guidance facilities. In addition, education and training were offered to both regional and industrial leaders. Furthermore, a distinct system for the distribution and sales of OVOP products was set up. And finally, achievers of the OVOP project were rewarded for their work and achievements.

The success of the 'One Village, One Product' movement has been evident due to the fact that it has spread to more than 30 countries such as China, Thailand and Malaysia, while achieving both economic and social advantages.

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Application of OVOP in Japan:

As a result of OVOP's evident success, the program was adopted at a national level in 1988. 3,208 villages and towns received a one-time grant of 100 million yen and were expected to use it in order to further improve their communities, based on applying the following principles:

- The creation of globally acceptable products/ services based on local resources.
- Self-reliance and creativity.
- Human resource development.

The basic premise was that local skills must be used in order to promote local products as much as possible. It was expected that the equation of local resources and local skills utilization would generate local pride, creating an "independence" mentality amongst the local areas. A corollary was that the role of regional leaders and their commitments was highly necessary in order for the program to be successful.

According to Japan's Ministry of Economy, Trade and Industry, six key factors were applied for OVOP to be successful. These guidelines were to be followed not only by Japan itself, but by other nations, in order for OVOP to be successful.

- 1) Raising people's awareness of the OVOP project.
- 2) Uncovering the potential of each village.
- 3) Conducting ongoing trials with persistence & learning from errors.
- 4) Obtaining significantly higher added value in products.
- 5) Establishing markets and distribution channels.
- 6) Fostering people's skills and talents.

It was considered important to establish collaboration between Less Developed Countries (LDC) and Japan, given the success of the model. The former would benefit from utilization of potential in selecting competitive products, with the commitment and involvement of government. The role of Japan would be to assist LDC by the dispatch of experts (e.g. manufacturing gurus and trade professionals), by educating and training talented people, and by organizing demonstrations, exhibitions and business matching. In short, these would include for both:

1) Awareness of OVOP

LDC: Knowledge of and participation in OVOP.

Japan: Send experts for educating people, including government officials; Introduce model of relevant policies and capacity- building for OVOP;

LDC: Introducing relevant policies and capacity- building for OVOP.

Japan: Dispatch specialists, to train people including government staff responsible for capacity- building.

2) Finding, selecting and improving products

LDC: Finding, selecting and improving products to create 'Indigenous Treasures'.

Japan: Dispatching skilled personnel to teach and train talented people so as to find, and improve products to create 'Indigenous treasures' maintaining local wisdom and conserving culture.

3) Marketing nationwide/ to the world.

LDC: Exhibit OVOP products at trade shows; business matching.

Japan: helping organize exhibitions, fairs and business matching.

Existing Successful Models

1. Thailand and its "One Tambon, One Product" project (OTOP):

OTOP aims to support unique locally made and marketed products of each Thai 'tambon' across Thailand. OTOP selects one superior product from each 'tambon' (meaning sub-district) in order to receive formal branding while providing a local and international stage for the promotion of these products; similar to OVOP.

Highly successful Thai products are fashioned to suit particular skills across a variety of locations across Thailand. Products from North, South East and West Thailand include handicrafts particularly covered wood; traditional handicrafts of bamboo; ceramics, terra cotta and pottery; silver jewelry, brass works, textiles including other related products, mother of pearl inlays, and so forth. These products are targeted both for home consumption and the international market.

According to the European Journal of Economics, Finance and Administrative Sciences the key success factors for obtaining and fulfilling the OTOP goals have been as follows:

- 1) Precise overall planning of its operation.
- 2) A clear organization and allocation of responsibilities.
- 3) Short and long term planning modes.
- 4) Emphasis on product development.
- 5) Effective production planning.
- 6) Systematic accounting.
- 7) A government policy that supports OTOP entrepreneurs.

Although OTOP has been successful there are two main challenges facing the project:

- 1) Villagers produce in their own, spare time those OTOP products to be sold but after farming has been completed. This negatively affects production capacity required by buyers.
- 2) Trading beyond borders is an additional issue due to the fact that meeting deadlines, quality control and marketing problems remain challenges in many OTOP villages.

2. OVOP in Beni Suef, Egypt:

OVOP provides job opportunities for village women in the governorate of Beni Suef in Egypt through engaging them in the dairy supply chain. Egypt's Social Fund for Development (SFD) has collaborated with the United Nations development programme (UNDP) for gender equality and the empowerment of women (UN Women) to achieve this.

The SFD signed a quadrant contract with the Local Community Development Association in Ja'afar village, CARE International and Danone (one of the main global dairy companies working in Egypt), with the aim of founding a center for milk collection in the village of Ja'afar, in Fashn district, Beni Suef governorate. The project's aim was to contract 700 women to provide cattle dairy to Fashn, where the SFD would fund the facilities needed for the center. Egyptian women play an active role in rural areas. Improving their activities' economic returns and supporting them to form productive alliances and create long-term marketing sources was the recipe for success.

Through its monitoring apparatus, Hana Al- Hilali; Acting Secretary General of the Social Fund for Development confirmed that the project provided numerous jobs for women in Fashn Village and its surrounding areas, via participation in the dairy industry supply chain, in addition to the rehabilitation and the training of cattle raisers and increasing capacity in the livestock and dairy product manufacturing. Dr. Abla Amawi, UN Women Egypt Country Director added that OVOP opened up opportunities to empower marginalized rural women and to build their productivity and leadership skills, productive alliances, and ensured a good income to lead a decent life.

Lessons learnt and Challenges faced

Although 'OVOP' appears a highly successful intervention, in order for 'OVOP' to launch in developing areas, prompt actions by government and development agencies are required on several fronts:

- Spatial connectivity needs to be improved so that 'OVOP' producers can participate in national and global value chains.
- Brand making and e-commerce could additionally be promising areas as shown by the Thai success.
- LDC will need foreign cooperation in both financing and management trainings.
- The introduction of social indicators such as women's empowerment, capacity improvement of community leaders and self-realization are necessary.
- Economic indicators are additionally important in order to access the effectiveness of the 'OVOP' movement.
- Limited access to financial resources is another challenge.
- Inadequate skills in the following areas:
 - a. Business management and value addition.
 - b. Packaging and product labeling.
 - c. Business plan development.
- Insufficient production of primary products for processing.
- Limited market linkages for products.
- Lack of product certification for most of the supported groups.

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