

## OVOP Network toward in East Asia and a Case study in Thailand: The authority between the government and the general public.

Watunyu Jaiborisudhi<sup>1\*</sup>

<sup>1</sup> Researcher of Institute of East Asian Studies, Thammasat University.

---

### Abstract

*The OVOP concept is a unique approach which has been very successful in the Japanese prefecture of Oita and has attracted and continues to attract wide international appeal, particularly in developing countries such as Thailand. In case of the Thai Model: One Tambon One Product has one main apparent weakness which is the overruling government's authority of general public. Such the characteristic was caused by the changes in election campaign led by the political party that initiated the OTOP project. In other words, it can be seen that the government's ultimate goal is to win an election, not local communities' true sustainable development. Furthermore, it seems to be the government's nature to consistently have their policies enforced on the general public. This has resulted in the lack of self-reliance of local communities.*

---

### Background of the One Tambon One Product (OTOP) project of Thailand

Thailand had already lost a magnificent amount of more than 30,000 million US dollars of foreign reserves to the Hedge Fund in 1997, along came the economic crisis which had inevitably cost the nation its financial economic stability to the First World countries. Consequently, Thailand had to rely on the loans granted from the International Monetary Fund or IMF to restore back and sustain the nation's financial economic stability. Such the decision came at no cost because the government at the time had to amend 11 national Acts in order to let foreign investments flow into the nation freely. This event had reassured the fact that Thailand at the time had to heavily rely on financial assistance from the United States of America (USA) and the First World countries who had the highest record of the increases in the circulation of currencies in its history. Many people believed that by investing their money, through the hedge funds and international organizations as what was done in Thailand and other less advantage countries by both the USA and First World countries was a new ingenious form of colonization.

After such the aforementioned crisis Thailand came to realize that having to account the nation's stability and wealth on foreign investment and exchange markets could not be sustainable and rational. Consequently, the ability of Thailand to disengage from such the dependency would have to adhere to the principles of sufficiency as well as surveying and developing natural resources located in each region throughout the nation. In doing so, it would lead to sustainable wealth creation and development fundamentally built from each region's true strengths and economic advantages. This ideology then was into action by the Thai Rak Thai party-led government under Prime Minister Taksin Shinawatra, of which his party had successfully won the national election and could solely form a government without needing to have other coalition parties. Thereby, this had shifted the power pole in Thai political system which led to PM Taksin's new campaign called "New Thought, New Action" (Kid Mai Tam Mai in Thai). This campaign procreated a number of significantly famous populism projects designed to manifest substantial results and one of the most outstanding populism projects during PM Taksin which has still been in practice is the One Tambon One Product

---

\*Corresponding author : watunyu1979@hotmail.com

Watuny Jaiborisudhi

(OTOP) project. It was firstly initiated in 2001 with the idea originally came from Japan's One Village One Product project that was developed based on the goal of having local communities sustainably developed so that they could be self-reliant. There are 5 main objectives under the OTOP project as follows:

- 1) to create employment and increase income as a whole for each community participated in the project
- 2) to strengthen local knowledge
- 3) to promote human resource development
- 4) to reinforce strength and self-reliance in each community participated in the project
- 5) to promote creativity and initiative among each community participated in the project

It could be said that the OTOP project of Thailand was mainly set off by the government in terms of both related policies and procedures. Moreover, as already mentioned, the project was initiated based on the populism ideology embedded in the Thai Rak Thai party. It could be seen that the party's regional and community development plan was driven by its goal to win the next national election. Thereby, the OTOP project is characterized as a top-down system, differentiating it from the Japanese OVOP that had the bottom-up system characteristic. This is because Thailand's OTOP project was mainly initiated by the government, whereas; Japan's OVOP project was firstly set off and proceeded within the communities themselves. This had led to many questions asked by development study experts of whether or not the OTOP project could sustainably and thoroughly develop communities as promised and of its permanency. Theoretically, in order to have successful sustainable development for communities, it should be initiated and proceeded from the communities themselves since they would be the best to know their comparative advantages in terms of resources and thereby their strengths, rather than by the government.

### **Problems arisen in the OTOP project regarding the authority between the government and the general public.**

The main problem of the OTOP project is the control and management by the government which has more authority than the general public, a

characteristic of which is common in Thai society. The government authority is demonstrated through the success attempt to push forward the OTOP project to be monitored and managed by the OTOP Directive Committee under the Prime Minister's Office, consisting of 16 related government agencies and 5 sub-committees as followings<sup>1</sup>.

- 1) The Administration Sub-committee chaired by the Finance Minister and has the responsibilities to assure that the works are proceeded in accordance to the policies and strategies approved by the Committee, to coordinate related plans and consider budgets of related agencies and publicize the project's relevant information.
- 2) The Production Promotion Sub-committee chaired by the Agriculture and Cooperatives Minister and has the responsibilities to promote and support the development of products and raw materials' qualities.
- 3) The Marketing Promotion Sub-committee chaired by the Commerce Minister and has the responsibilities to set out marketing and market promotions policies for both domestic and overseas markets as well as to promote the protection of intellectual property.
- 4) The Products Quality and Development Sub-committee chaired by the Industry Minister and the responsibility to set out the products quality development to meet the international standards.
- 5) The OTOP Sub-committee chaired by the Permanent Secretary of Ministry of Interior and has the responsibilities to select the award-winning and outstanding OTOP products of each community, strengthen local communities as well as coordinate and follow related tasks operation at the local level.

The aforementioned sub-committees demonstrate the public sector's mechanism to push forward the project to be a part of each local community in each region nationwide. This reflects the high importance given to such the project by the government which has strongly hoped to turn the idea into real actions. Having the Committee to be set up under the direct supervision of the central government, namely the Prime Minister's Office,

---

<sup>1</sup>OTOP project. Retrieved October, 23, 2010, from <http://www.mfa.go.th/business/>.

is entirely different from the OVOP project of Oita province of Japan. The OVOP project was mainly driven by the local people residing in the communities only with little help from the government of which the main role is to support and promote the project. Therefore, it can be stated that Thailand's OTOP project does was not truly initiated by the wisdom of local communities as that of the OVOP project.

Consequently, because the project was initiated and directed by the central government from the start, this has made the local communities lack of the realization that the project belongs to everyone. Most local people feel like they are not part of the project since they do not have any involvement with the project's activities including the project initiatives, discussions and debates of the problems of their own communities. Therefore, the people living in these local communities do not share the responsibility to operate the project together collaboratively. By having the project controlled by the government, it creates the wrong incentives of each community. By and large, they all want to response to the government's policy and show the project's results as promptly as they can, some communities might copy products from other communities nearby. Hence, it is fair to say that a large number of OTOP products were not created using the wisdom of each local community. This is incoherent with the local community development principles that are based on the encouragement to local people to be self-reliant and are able to think for themselves.

Additionally, the Top-down approach to OTOP project has also led to the OTOP products quality control which can be witnessed by the OTOP Directive Committee's OTOP Product Champion (OPC) initiative instigated to develop and control both quality and standard of exported OTOP products. The products at provincial, regional and national levels are divided into 6 categories including (1) food, (2) drinks and beverages, (3) clothing and apparel, (4) appliances and decorative ornaments (5) artificial art and souvenirs, and (6) non-food and herbal medicine. Then, these products are selected and awarded points based on their quality. By and large, 1 star award refers to low quality products, 2 stars award refers to low quality products that have potential to be further developed, 3 stars award refers to

medium quality that can be developed for exports, 4 stars award refers to high quality products but still need some improvement and 5 stars award refer to high quality products ready for exports.

There were 16,000 products that were registered for OPC project and only 6,000 of them passed and were selected in 2003. The number of products applying for the OPC project increased to 37,754 products in 2004, and 539; 2,177 and 4,734 products were selected as 5, 4 and 3 star products respectively<sup>2</sup>. If it is considered on the positive side, quality control implicitly forces OTOP products into raise their quality standards. However, such the control also has a downside. Some products that did not pass the control and were not selected as OPC products were perceived as unacceptable. As a result, many OTOP products of many communities had to cease their production since the government has not imposed a clear measure in dealing with products quality improvement. Moreover, some high quality OTOP products were not originally created by local communities but by some investors who would like to take advantage of both the OTOP and OPC projects in term of economic return. Therefore, this should raise some awareness of the project's operators to revise the project's original ideology in order to promptly solve the mentioned problems.

Both Thai OTOP and Japanese OVOP projects were initiated mainly based on 3 principles namely (1) Local Yet Global (2) Self-reliance and Creativity and (3) Human Resource Development. The following are an analysis of whether or not the OTOP project of Thailand has been operated incoherent with such the principles as that of the OVOP project of Japan.

#### *1) Local yet global*

Almost OTOP projects are still lacking in a cosmopolitan characteristic to a great extent. There are a number of reasons stopping OTOP products from going global. Firstly, the problem of OTOP products' identity and local uniqueness that cannot yet be recognized worldwide due to the limitation culture adopted among the products' producers. Therefore, many products are very similar to others. Secondly, the quality of products, a problem of which is caused by the mass production characteristics of most OTOP products which production details are not as emphasized as that of hand made products.

---

<sup>2</sup>Viboonphong, A. and Teerakul, N. (2005). *Comparative Study of the OneVillage One Product Movement in Japan and Thailand* (Faculty of Economics, Chiangmai University).

Watunyū Jaiborisudhi

### *2) Self-reliance and creativity*

Since the OTOP project was initiated by the government, which is different from the OVOP project of Japan that was originally initiated by local communities, almost OTOP projects are produced in response to the government's demands. Consequently, this has created the problem of imitation culture of OTOP products, the main problem preventing local communities to think and design their creatively. On the whole, it can be said that the government's authority that overrules general public's authority has made the latter group become the whole system's bearers. This, hence, implicitly forces the general public to consistently rely on the government's policy and directions which has prevented them from being able to be self-reliant.

### *3) Human resource development*

Japan's OVOP project has knowledge exchange programs between the project's participants as well as site visits in order to learn local wisdom from other regions. On the other hand, Thailand's OTOP project has the government's authority trying to push the participated local communities to produce as a response to the markets' demands. Therefore, it can be said that the OTOP project aims to create products more than developing human resources.

## **Conclusions**

In summary, the adaptation of Japanese OVOP ideology to Thailand has one main apparent weakness which is the overruling government's authority of general public. Such the characteristic was caused by the changes in election campaign led by the political party that initiated the OTOP project.

In other words, it can be seen that the government's ultimate goal is to win an election, not local communities' true sustainable development. Furthermore, it seems to be the government's nature to consistently have their policies enforced on the general public. This has resulted in the lack of self-reliance of local communities. Consequently, in order to apply the ideology of Japan's OVOP project effectively, the OTOP project needs to aim at human resource development, since this factor is a foundation of sustainable local community development from local wisdom and knowledge. Having the government's authority ordering local communities to produce their products in order to meet its demands has resulted in the production imitation culture, poor quality products and inability to have these products improved to meet international standards.

In conclusion, it can be said that the OTOP project emphasizes on "products creation" rather than "human resource development". By and large, it seems that the government tries to have the project succeeded rather than local communities sustainable developed under the centralized government's control and directing. Therefore, Thailand's OTOP project is different from Japan's OVOP project in which the OTOP project is run under a top-down management system while the OVOP project is run under bottom-up system. The OTOP project reflects the strength of the Thai government and the weakness of the general public. Consequently, in order for Thailand to move from the dependency stage to the sufficiency stage, it has to start off from building strong local communities that can truly think for themselves and are self-reliant.

## References

- Hisao, T. et al. (2005). *"One Village One Product A Revitalization Effort in Japan"*. The RDPLG Project, JICA.
- Oita International Exchange Promotion Committee (2006), *"One Village, One Product' Spreading Throughout the World"*.
- The Oita Prefecture One Village One Product 21 Promotion Council, *"One Village One Product 21: Bringing the Spirit of the Country to the City OTOP project"*. Retrieved October, 23, 2010, from <http://www.mfa.go.th/business/>.
- Rika Fujioka, (2006) *"Learning from OVOP in Japan and OTOP in Thailand for the Application to CLMV Countries"* (paper presented at the workshop on Integrated Community Development for the Mekong Region: *"One Village One Product Movement in CLMV Countries"* by Asian Productivity Organizations: December 2006)
- Viboonphong, A. and Teerakul, N. (2005). *Comparative Study of the One Village One Product Movement in Japan and Thailand* (Faculty of Economics, Chiangmai University).