Local Development and OVOP Movement in Oita, Japan

How Oita challenged to form a new concept of local Development

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Map of Japan and Oita Region

All Japan
- Population: 125 million
- Area: 375,000 Km²
- Region: 47 Prefecture
- Regional GDP: 516 Trillion Yen

Oita Prefecture
- Population: 1.2 million
- Area: 6,340 Km²
- Region: 14 city, 3 town
- Regional GDP: 4.5 Trillion Yen
Regional Economic Development Strategy of Oita Local government since 1980s

Two Way Approach of Oita by the Governor HIramatsu:

🌟 Technopolis Policy → Urban Area

Invite modern electronic company and build industrial center in Oita (by Provide favorable industrial estates, infrastructure and regulation for advanced electronics companies, etc)

🌟 OVOP Movement Policy → Rural Area

Rural Community Development by promotion of local entrepreneurship (One Village One Product initiative)

Balanced Dynamic Local Economy
### GDP per Capita in Kyushu Area (Trend and Rank)

#### Unit: 1000 yen

<table>
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<tr>
<th>Year</th>
<th>Fukuoka</th>
<th>Saga</th>
<th>Nagasaki</th>
<th>Kumamoto</th>
<th>Oita</th>
<th>Miyazaki</th>
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<td>2756 1</td>
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<td>2150 7</td>
<td>2283 6</td>
<td>2089 8</td>
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Source: Oita Prefecture in 24 years (Oita Govt) and the other source

- **Total GDP (Japan)**: 516 Trillion Yen
- **Average GDP/pH**: 3069 thousand Yen
What is the OVOP?

“Even small Local Community (village) could create identical products”, If “the people of the Community endeavor to create them with positive Idea and Innovative attitude” even under the limited resources.

"One Village One Product" seems simple, but signified by the easy terminology and clear massage even to the non-educated local residence.

"One Community creates One marketable Product with identical brand by using own resources, and brush up the Product, upgrade the Value, establish the own Brand, and merchandise in the Global markets.

OVOP List

Kabos
Concept Model of OITA’s OVOP Movement

(People’s Participation)

Unearth Effort of Regional Resources

Marketable Products Making

“Regional Brand”

Increase of Income

Confidence & Sense of Accomplishment

Regional Revitalization

(Government Function)

= Aware of Potential Power of Regional Resources)

= Strong Will and Innovation for Commercialization)

= Development of Market Channel and Promotion)

= Manufacturing Processing & Increase of Value-Added

= Sharing Endeavor & Unification of Efforts)

= Formation of Regional Development Mind)

Quality Improvement and R&D for New Products

Advancement & Sustainability of Movements

(Nurture of Region Leaders)

(Nurturing of Technology, Necessary Fund, Organization et al)

Government Function

= Giving Prospects

= Provide Incentive

= Market Development

= Promotion

= Systemization

= Human Resource Development

(Source) Author
Major Characteristics of "OVOP" Movement Model in Japan

Background of OVOP Movement in case of Oita and Japan

Over concentration of economy to Mega Cities and depopulation in the Local Region under the rapid industrial process

Necessity to stop exodus young population to big city and control weakening local economic power,

Necessity for promotion of local industries and revitalization of economies

Necessity to elevate local societies’ own capability and reducing over-dependence to central power center
Population Flow from Rural Area to Urban Area

Figure 3-1 Net population inflow into Japan’s three largest metropolitan areas

(Note) Tokyo Area: Tokyo, Kanagawa, Chiba, Saitama
Nagoya Area: Aichi, Mie, Gifu
Osaka Area: Osaka, Kyoto, Hyogo, Nara
(Source) Population movement tables (Ministry of Home Affairs), National Accounts (Cabinet Office), Japan’s Metropolises (Ministry of Land, Infrastructure and Transport)
Geographic Distribution of Income (2000)

Comparison of Income level of provinces in China

Shanghai
Beijing
Sichuan

GDP per Capita (Unit Yuan)
- 0 - 5000
- 5000 - 10000
- 10000 - 30000
- No data

(footnote)沿海省○、中部▲、西部△
(footnote)中国统计年鉴，2004
Significant Regional Gap in the Countries

Disaggregated HDIs reveal the disparities within countries

Three Basic Principles of OVOP by proposed Hiramatsu

Local but Global
Globally accepted products that reflect of the local flavor and culture

Self-Reliance + Creativity
Realization of One Village, One Product/Service through self-initiative actions utilizing potential resource of the region.

Human Resource Development
Foster of proactive people with a challenging and creative spirit (Entrepreneurship)
How Functions with OVOP in Oita

Function of Local Govt

- Give Guidance to Movement
- Show Model Case
- Monitoring direct voice (Town meeting)
- Technical Support
- Management support
- Marketing service

Real Acts of OVOP in Oita

1. Mind Shift of People
   - Oyama Miracle
   - Minus mind → Plus mind
   - (You can do spirit)

2. Creation of System
   - Hiramatsu Style
   - OVOP Marketing
   - Top Sale initiative
   - Direct Supply Chain
   - Brand creation efforts

3. Technology + Entrepreneurship
   - Shochu Type Dev
   - Invention of new product/service
   - (Innovation)

Local but Global
Self-Reliance + Creativity
Human Resource Dev

Bridgestone
Advancement of OVOP Movement of Oita

- Prelude of OVOP (1975-1978)
  *Concept making of OVOP*

- First Step of OVOP (1979-1982)
  *Beginning of Rural Town Meeting and Seedling of OVOP in Oita*

  *Intensification of HRD and Diversification of OVOP Movement*

- Forth Step of OVOP (1989-1993)
  *From Income Raising to Quality Life of People*

- Fifth Step of OVOP (1993-2000)
  *Towards Global Interaction of OVOP and International Exchange*
Prelude of OVOP (1975-1978)

**Concept making of OVOP**

- Challenging to the Endogenous Development under the Depopulation of Rural Oita

- Learning from Oyama and others

- Mind change of people from isolation to Outward-looking through competition and identification

- Change of local government policy line and its attitudes; from single Track to Dual Track

  - *Rural revitalization efforts along with urban based industrialization*

  - *From a main player to a good facilitator*
Location and Geographical features of Oita and Oyama City

Source: Arranged of materials provided by «NPO大分一村一品国際交流推進協会»
(Oita OVOP International Exchange Promotion Committee)
NPC Movement in Oyama Town

Population 3,870

NPC Movement = New Plum & Chestnut
Began In 1961

Against the then Rice Farming promotion of National Policy and promoted to grow identical local products under the campaign of NPC with dream ‘Let’s plant plums and chestnuts to go to Hawaii!’ And breaking through many difficulties, gained success in income raising, community revitalization, and stopped depopulation.

Now highest percentage of passport carrying residents in Japan (70% of the population) in example.

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」（Oita OVOP International Exchange Promotion Committee）
The initial goal of the NPC Movement was to increase the incomes of the town's farmers through crop diversification. The first new crops were plums and chestnuts. Later several varieties of mushrooms were introduced. The program has expanded to the point that now over one hundred agricultural products are grown and processed in, and shipped directly from Oyama.

Once incomes were stabilized it was decided the next goal should be to improve the lifestyles of the townspeople. This has been accomplished through the sponsorship of cultural and athletic events. One major part of this program has been foreign travel. In fact one of the initial goals during the early stages of the program was to make enough money to be able to go to Hawaii, a very ambitious goal at the time.

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」 (Oita OVOP International Exchange Promotion Committee)
The third goal of the NPC Movement has been to build the physical facilities necessary to provide a comfortable lifestyle. This has included a culture center, as well as several community centers. The town has also been working to provide many of the conveniences usually found only in large cities.
First Step of OVOP (1979-1982)

*Beginning of Rural Town Meeting and Seedling of OVOP in Oita*

- Revolving Town and Community Meeting for OVOP
  - Direct dialogue meeting with people by Oita governor Kabae, Ajimu, Yufuin, Miemachi etc.

- Selection of OVOP and TV Campaign for promotion
  - Selection of excellent OVOP products and giving award and promotion
  - Provide TV program of OVOP under the rural people’s initiative

- Technical Supporting for Quality Improvement of OVOP
  - Establishment of technical support center for OVOP

- Marketing efforts by Oita Local Government of OVOP in the Global Market
  - OVOP Exhibition in Tokyo and global market campaign
Governor Hiramatsu held Town Meeting in the every town and villages to discuss how to revitalize local community and promotion of its industries with local poeple.

Governor has realized how important to communicate directly with local leaders to inspire the movement.
Listed OVOP Products

→ Kurumaebi prawn in Himeshima
→ “Shochu” drink in Hiji and Usa
→ Bamboo handcraft in Beppu
→ Kabosu citrus in Takeda
→ Kicchomu pickles in Kusu
→ Seki Aji mackerel in Sagaseki
→ Shiitake Mushroom in Oyama

First OVOP selected List on the Map

143 products were listed in 1980

Source: 「一村一品運動20年の記録」大分県一村一品推進協議会
Establishment OVOP Co. and started Promotion Scheme for OVOP in 90s

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
(Oita OVOP International Exchange Promotion Committee)

**Intensification of HRD and Diversification of OVOP Movement**

- Expansion and Diversification of OVOP Products and Advancement of Product Value
  
  One Primary industries to One plus Something Industries

- Intensification of Sales Promotion in the Global market

  Direct promotion by governor and local officials, CI strategy
  Essence of Administration is PR (Public Relation)

- From Simple Product Making to Human Resource Creation

  Establishment of Active Learning School opened for the local peoples to foster of local leaders
  One spot movement to sustaining OVOP movement
Expanding Regional OVOP Principal Products

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<td>382</td>
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<td>272</td>
<td>289</td>
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</table>

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
(Oita OVOP International Exchange Promotion Committee)
Dried Shiitake Mushrooms (椎茸)

Production Volume

1316 ton (2003)

Domestic Market Share

32% (2003)

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」 (Oita OVOP International Exchange Promotion Committee)
カボス Kabosu Limes

生産量 Output of 2002fy
4,550t

国内生産シェア Domestic Production Market Share
Almost 100%

Processed Products made from Kabosu

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
(Oita OVOP International Exchange Promotion Committee)
Quantity of 1975
765 kl
Domestic Production Market
Share 1%

[156 times increase]

Quantity of 203
119,060 kl
Share (30.7%)
Change in Number of Product & Total Sales of Products in OVOP

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<th>（2001）</th>
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<td>販売額</td>
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<td>339mil $ → 1330mil $</td>
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Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
(Oita OVOP International Exchange Promotion Committee)
豊の国づくり塾  *Toyo no Kuni Development School*

1983〜2001までの卒塾生 1,805名

1805 graduates from 1983 to 2001

豊の国21世紀塾

*Toyo no Kuni 21st Century School*

2001〜2002塾生 156名

156 students in 2001 and 2002

塾は：「実践・啓発・継続」

*Slogan: Practice, Enlightenment, Continuance*

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」 (Oita OVOP International Exchange Promotion Committee)
Governor Hiramatu’s Proposal for OVOP

**GNP Society** → **GNS Society**

**Gross National Product** = 国民総生産
（県民所得）

**Gross National Satisfaction** = 国民充足度
（県民総満足）

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
（Oita OVOP International Exchange Promotion Committee）
More Dynamic OVOP Development for Cultural Diversification

Mameda Town (Hita)

Old Town revival movement and its result

Hina doll Festival attracts people

Source: Home page of Oita Tourism Web site and 「一村一品運動20年の記録」大分県一村一品推進協議会
Ajimu’s Green Tourism

Shonai Kagura Festival

Jazz & Kagura music dance

Source: Home page of Oita Tourism Web site and 「一村一品運動20年の記録」大分県一村一品推進協議会
Fifth Step of OVOP (1993-2000 forward)

Towards Global Interaction of OVOP and International Exchange

- Spreading OVOP Concept to Overseas and Deepening Mutual Interaction
  
  Many Asian countries adopted OVOP for their Community Development and revitalization of rural industries

- Expanding and Developing OVOP Concept toward Variety of Types
  
  Many ideas were proposed under the OVOP framework
One Factory, One Product
一廠一品運動
China Shanghai
中国 上海市

One City, One Product
一街一品運動
China Shanghai
中国 上海市

One Village, One Treasure
一村一宝運動
China Wuhan
中国 武漢市

One Village, One Product
一郷一品運動
China Jiangsu
中国 江蘇省

One Tambon, One Product
タイ王国 Thailand

One Barangay, One Product
One Region, One Vision
フィリピン Philippines

Satu Kampung, Satu Produk
マレイシア・ケダ州 Malaysia Kedah

Back to Village
インドネシア 東ジャワ州 Indonesia East Jawa

Source: Arranged of materials provided by 「NPO大分一村一品国際交流推進協会」
(Oita OVOP International Exchange Promotion Committee)
Expanding OVOP and Symbol Logo

OVOP Logos in the world

Today, OVOP has been spreading to more than 100 countries and some countries have developed their own OVOP logos. Please inform us your own new logos.
Many Asian Leaders visited Oita for discussing OVOP Movement

Malaysia: Prime Minister Mahathir Bin Mohomad visits Oita (Dec. 1991)

H.E. Kim Dae Jung, President of Korea (1998)

President Ramos of the Philippines visited Oita (Sep. 1995)

Meeting with President Bagabandi of Mongolia (21 Aug. 2002)

Zeng Quinghong, Director of Organization Dept. of C.P.C. visited Oita

Source: Arranged of materials provided by 『NPO大分一村一品国際交流推進協会』
(Oita OVOP International Exchange Promotion Committee)
Outline of SDSI and its Main Issues

Symbolic Event of SDSI Policy: SDSI Showcase at Melaka, Malaysia
Development of SDSI Policy

◆ Beginning of Initial Pilot Project of OVOP
  ➢ ODOP (One District One Product) Program in Kedah state in 1992 by initiative by Dr. Mahatir with looking after OVOP movement in Oita in 1980s
◆ ODOP Policy was extended to One Village One Industry (OVOI) in 2002 by reference to OTOP in Thailand
◆ OVOI has been transformed into SDSI in 2003
◆ Current SDSI Program: Basic Concept:
  ➢ Developing and commercializing product or service 
    **distinctive of a particular district**
  ➢ Combination with tourism and other activities
  ➢ Developing creative, innovative and harmonious community through socio-economic activities
  ➢ Creation and promotion of more resilient and competitive business model for local entrepreneurs
  ➢ main Focus has shifted from poverty eradication toward more full-fledged business ventures

Quote: MECD web site
Rationale of the ‘OVOP Model for Regional Development’ of Asia

(1) **Economic rationality:** The process envisaged by the movement, of selective and concentrated use of limited resources to develop a certain ‘product’ to which value is added before sale, is a very rational process in economic terms.

(2) **Citizen empowerment:** The product development process increases opportunities for interaction between local citizens and external markets, raising awareness and encouraging active involvement among local citizens.

(3) **Community spirit and participation:** Traditionally, Asian cultures emphasize strong bonds within the local community, and are thus the movement’s emphasis on cross-community participation is may be accepted easily.

(4) **Decentralization of power:** Decentralization and the allocation of power to regional governments is a major political trend throughout Asia. The movement provides an example of how local regions may increase their economic control and independence.
General Concept of OVOP/OTOP Movement in Asia

- Different Concepts and Variety of Styles
- Different Goals by Different Development Stage
- Different Stages but Common Features
Goals of OVOP/OTOP and Similar Policy Frameworks

(A) Poverty alleviation and opportunity of income generation

(B) Increasing employment opportunities

(C) Narrowing gap btw Urban and Rural areas

(D) Mitigation of depopulation trends in Rural area

(E) Protection of environment and stable & safe society
Common Features

1. Finding efforts to potential local resources
2. Looking and focusing on suitable products/services with global eyes
3. Exploring the new market possibilities (Export, Domestic)
4. Quality improvement of the products/services for marketable level and higher-up the value added
5. Empowerment of people and communities through the movement
6. Pursuing sustainability and stable society
Indonesia:

→ Promotion of Eastern Remote area’s development by producing local handcrafts
   (Weaving, wood decollation, etc)

→ Promotion and empowerment of SMCI

→ **Main Goal:** --- (A), (B)

→ **Main Feature** --- (1), (2), (3)

⇒ *Non-OVOP but general industrial promotion of backward area*
Case of Malaysia

SKSP (Satu Kampung Satu Product) -1992-

→ SDSI (Satu Daerah Satu Industri) -2003-

Main Target

Establishment of sustainable local industries and successful marketing

Main Organ of Promotion:

Creation of management office for SDSI (in MECD)
(Handcraft, food, textile, ceramic industries)
- Groom Big Project for entrepreneurs
- Technological and Marketing training and promotion
- Promotion of tourism industries combined with SDSI
Case of Malaysia (Continued)

- Standardization of products and brand making
- Promotion through SDSI Gallery in Putrajaya
- Collaboration with MNCs (nomination of region products etc)
Difficulties and Challenges regarding OVOP

- Poor coordination of government
- Lack of basic infrastructure
- Lack of people’s awareness
- Poor available resources
- Political stability
Future Hopeful Direction of Neo OVOP

→ Exchange of experience
→ Solid framework fitted to the surrounding conditions
→ Effective use of University resource & public R&D Center
→ Strong international commitment of NGO and Int’l Organizations
→ People’s strong commitment
→ Balancing with national macro industrial policy
Thank you very much for your attention

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