

**A Study of One Village One Product (OVOP) and Workforce Development:
Lessons for Engaging Rural Communities around the World**

Fred R. Schumann, PhD

University of Guam

School of Business and Public Administration

March 28, 2016

This research was conducted at the Japan Institute for Labour Policy and Training (JILPT), in Tokyo, Japan.

Please direct correspondence Dr. Fred R. Schumann at: School of Business and Public Administration, University of Guam, UOG Station, Mangilao, GU 96926.

Email: schumannf@triton.uog.edu, Phone: (671)735-2547.

Abstract

Over three decades have passed since the introduction of Japan's One Village One Product (OVOP) strategy in 1979 by then-Oita Governor Hiramatsu to revitalize rural communities through small-scale production and sales of unique, local products. The three principles of OVOP are described as: (1) Local yet global--Creating globally accepted products that reflect pride in the local culture; (2) Self-reliance and Creativity--Realization of OVOP through independent actions utilizing the potential of the region; and (3) Human Resource Development--Fostering of people with a challenging and creative spirit. While the first two principles are relatively easy to grasp with an understanding of how the principles can lead to benefits in communities, there is very little literature published in the English language about how the OVOP strategy developed human resources in depopulated rural Japanese and later in international communities, revitalizing economies with jobs. This research report provides evidence of the successes and challenges faced in these communities and can be used as a resource for leaders of rural communities around the world that are specifically interested in learning about human resources development and employment strategies from Japan's OVOP efforts and adaptations of OVOP strategy from various parts of the globe. The report aims to contribute to the literature available to aid in the enhancement of workforce development and economic revitalization in rural regions within various countries/locales.

Introduction

For the first time in history, the majority of the world's population now lives in cities. The urban population in 2014 accounted for 54% of the total global population, up from 34% in 1960, and continues to grow. The urban population growth, in absolute numbers, is concentrated in the less developed regions of the world. It is estimated that by 2017, even in less developed countries, a majority of people will be living in urban areas (WHO, 2016). In most developed countries, with close to 80 percent of the population now living in urban areas, the process is largely complete. We are now seeing an influx of rural migrants in developing nations in pursuit of attractive jobs and many cities are struggling to cope with the population shift and the challenges that come with it, including the growth of urban slums and the informal economy. It is evident that the challenges of today's growing cities cannot be met without addressing the need for full and productive employment in rural areas.

Regional disparities in employment are common in countries that have large metropolitan communities with high-paying, attractive jobs. Urban areas tend to have much more productive labor and higher salaries than rural areas, and there are vast differences even within urban areas. Some other factors behind observed regional disparities include differences across regions in educational attainment and sector specialization, as well as other uniquely local factors. Governments in some countries have addressed regional disparities by fiscal redistribution and policies aimed to improve the well-being of its citizens in disadvantaged regions. The unemployed and underemployed poor are among us, especially in the rural regions around the world where employment opportunities may be non-existent due to present-day approaches increasing not just profits, but also the volume of products while cutting down on labor and its costs. Mass production has led to increased consumerism in contemporary society, to the point where Bauman (2007) asserts that contemporary society only secondarily engages its members as producers, and primarily as consumers. Ritzer (2014), in *The McDonalidization of Society*, writes about the effects of mass consumerism on labor in a McDonaldized society where all forms of organizations, not just restaurants, utilize McDonaldized systems based on the four components of efficiency, calculability, predictability, and control, resulting in Irrationality of Rationality, or rationality gone out of control. (For example, financial results in a McDonaldized operation may be good, but can lead to illogical, counterintuitive, and problematic results, such as the dehumanization of the labor force).

In Japan, regional employment disparities have been around throughout history. With the formulation of the Comprehensive National Development Plan of 1962 and the New Comprehensive National Development Plan of 1969 (Government of Japan, 1969), attempts were made to correct the existing regional disparity and disperse industry through the introduction of large-scale projects. These

plans helped lead Japan to rapid industrialization, but they also contributed to serious environmental damage such as air and water pollution in certain locales. The plans also had the effect of accelerating the move of people from rural areas to urban centers, thereby neglecting to aid in lessening regional disparity. A particular strategy was later introduced at the prefectural government level in Oita, Japan, in order to slow the exodus of young workers to large cities and to provide them with a viable economic livelihood. The concept was to raise the capabilities of local communities and to minimize dependency on the public sector for assistance. It also aimed to develop local industries and establish small and medium sized businesses in the regional economy.

One Village One Product Movement

Oita Prefecture has a population of 1.19 million people and has 72% of its land covered with forest. Its mountainous terrain was once a barrier to inter-regional trade and communication. In 1979, Oita prefecture's Governor Morihiko Hiramatsu initiated a movement called "Isson Ippin Undou" in Japanese, or One Village One Product (OVOP) movement, as an idea for regional economic revitalization in his prefecture. At the time, Oita lagged behind the other parts of Japan in terms household income level and young people were leaving the villages for employment opportunities in metropolitan areas. As part of the strategy, Hiramatsu advocated that communities should selectively produce high-quality value-added goods and each village should produce one product that was competitive and stable. Hiramatsu took this idea from a prototype of the OVOP movement that was initiated in 1961 by a small mountainous Oita town called Oyama, where residents decided that plum and chestnut were the appropriate agricultural products for the town to harvest and successfully revitalized the town (Natsuda, Igusa, Wiboongpongse, Cheamuangphan, Shingharat, & Thoburn, 2011). The OVOP movement involves having a particular product or products that best represent the locale to gain sales revenue in the market, thereby generating income in the villages and improving the local economy. This strategy was successfully implemented and eventually hundreds of products were selected in Oita's villages. Since its introduction in 1979, all 58 municipalities in Oita prefecture have participated in OVOP and 766 different types of local products and services have been developed (Mukai and Fujikura, 2015). In 1980, Oita ranked third in per capita income ranking among the seven prefectures in Kyushu at 1.4 million yen, but by 2000 moved to rank number one with a per capita income of 2.8 million yen as shown below.

Table 1. Oita Prefecture's Per Capita Income and Ranking

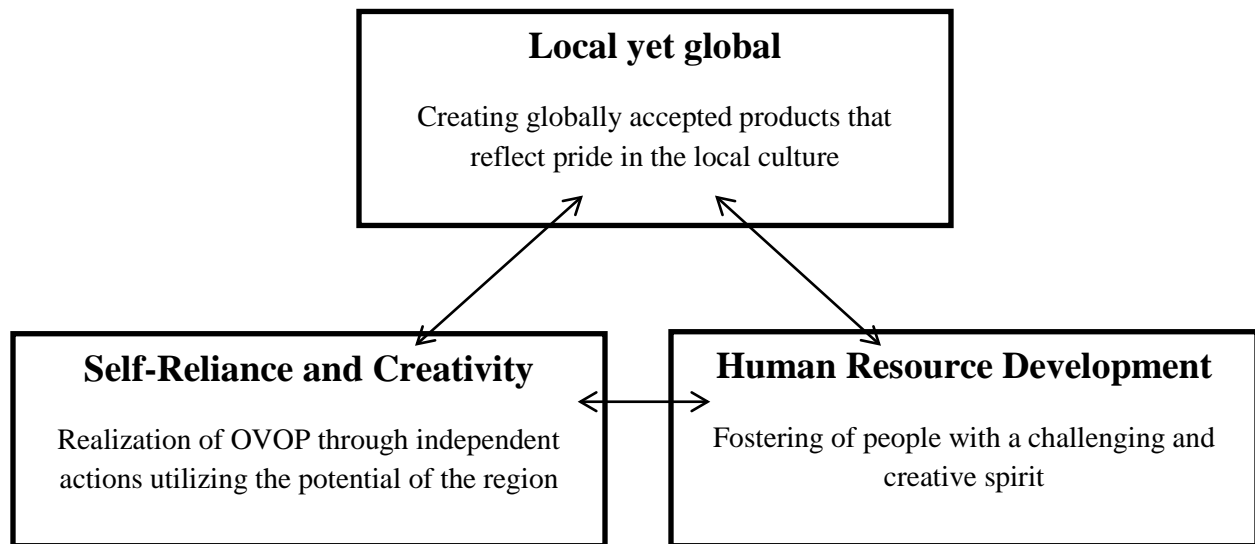
	1980	1985	1990	1995	2000	2003
Japanese yen (thousands)	1405	1736	2387	2665	2798	2647
Ranking among the 7 prefectures in Kyushu	3	3	2	2	1	1

Source: Matsui & Yamagami, eds., 2006

The essence of OVOP continues to exist elsewhere in Japan in different forms and the OVOP approach has been widely adopted in various countries around the globe even though the names of the movements and policies may have been somewhat altered (Murayama and Son, 2012). This movement was implemented at a local government level but it continues to expand globally for various reasons. In 2005, the Government of Japan supported initiating the "One Village, One Product" campaign in developing countries as part of the "Development Initiative for Trade" advocated by then-Prime Minister Koizumi. METI and JETRO, in collaboration with other organizations, initiated this campaign in 2006 (METI, 2015).

The OVOP movement is relatively simple and easy to understand, making it attractive for policy makers and community members. OVOP involves three guiding principles as shown in Figure 1 below: (1) Local yet global—Creating globally accepted products that reflect pride in the local culture; (2) Self-reliance and Creativity—Realization of OVOP through independent actions utilizing the potential of the region; (3) Human Resource Development—Fostering of people with a challenging and creative spirit (International Exchange OVOP Committee, n.d.).

Figure 1. Basic Principles of One Village One Product (OVOP)



Source: International OVOP Exchange Committee Office

Although Japan has a highly developed economy and advanced technological infrastructure relative to other less industrialized nations, the OVOP experience in rural economies within that setting provides a lesson for developing economies. OVOP is now just one component of many official Japanese development assistance projects aiming to promote rural development. Communities in large, less developed nations or regions, and small island states, can adopt OVOP principles to generate economic activity from uniquely creative products, services, and events. Nevertheless, it would be naïve to believe that a single product can save every village from economic challenges and that implementation of the strategy has been successful in all communities, including those in Japan and overseas. However, the OVOP strategy has been promoted in more than 30 countries, with overseas propagation beginning in China in 1983 (Mukai and Furukawa, 2015) and is but one example of a successful regional development policy.

Workforce Development Issues

Regional employment disparity in Japan still exists today even though the economic climate has improved in recent years. In the past during recession periods, government projects such as the building of roads have propped up employment in parts of Japan outside of urban areas. Then an export-oriented industry helped to drive a strong economic recovery in urban areas, but a reduction in overall government spending and the cutting of public works projects by the Koizumi administration (2001-2006) led to

economic stagnation in regions that depended on these projects for employment. The devastation of the Great East Japan Earthquake of March 2011 forced suspensions of manufacturing operations in Japan, which further worsened the employment situation.

Manufacturing sector businesses have been attracted with tax incentives and infrastructure development by regional governments to move their enterprises to their areas. However, this has created a challenge. JILPT's Takami, in his research on regional employment trends in Japan, points to a mismatch between jobs available and jobs desired. He states, "in provincial cities where a certain amount of industry has accumulated, it is not that the absolute volume of job opportunities is insufficient, but rather that there is a pronounced disconnect between the jobs companies are offering and the types of jobs people are looking for" (personal communication, February 18, 2016). In other words, the youth view jobs that exist in many of the local areas as unattractive employment opportunities. There is nothing particularly new about jobs differing widely in terms of their attractiveness or their capacity to bring satisfaction. While some jobs may be viewed as drudgery, others are sought after as being attractive due to the fulfillment they may bring.

This situation resulting in the disconnect between jobs offered and jobs desired in Japan can be attributed to a number of factors and leads to question what it is that constitutes attractive employment and how this standard is determined. Among an array of factors such as promoting the development of vocational skills, hiring older workers by extending retirement age, and enhancing the use of female workers, this may be also be an issue leading to the examination of education systems and guidance counseling methods. However, it is beyond the scope of this research report, and indicates how situations in countries can vary widely based on factors such as geographical size, cultural values, political systems, etc. The situation also suggests that different cases involving workforce development, with innovative strategies such as OVOP, need examining to learn best practices in order to address challenges that can be applicable to one's area.

Communities around the world needing economic revitalization through the creation of employment opportunities can learn from not only Japan's OVOP experiences, but also from those in other countries. In the cases of OVOP implementation in various countries, there are inevitable differences in finance, human resource management, administration, and marketing promotion management. Thus, we see the contrast between, for example, the bottom-up approach starting at the community level in Japan and the top-down approach with central government involvement in Thailand. This is due to factors such as social diversity, economic capability, and political culture. In any case, rural communities located in large mainland countries, as well as small island territories and nations can benefit from the lessons learned by

OVOP practitioners. As mentioned earlier, OVOP is not a panacea for all situations requiring assistance in the area of economic revitalization. At the same time, it can provide these communities with an alternative approach for sustainable development utilizing resources that are already in place. An example of a community that is a suitable candidate for OVOP is Yap, an island state in the Federated States of Micronesia (FSM).

Yap is the westernmost of four states in Federated States of Micronesia (FSM). Yap's population is 11,500, with about 4000 that live in outer islands and 7,700 that live on the main island. Yap actively promotes tourism and has six small hotels, with total rooms of about 100. Marketing material promote Yap as a place where one can experience "unique Pacific customs and way of life" and "miles of unspoiled reefs and very few visitors" (Rubenstein and Mulalap, 2014). Yap is also known for stone money and as a dive destination with opportunities to swim with manta rays. Officially, around 5,000 tourists per year visit Yap, but excluding visitors meeting friends and family as well as business travelers, Yap's true visitor count is less than 3,000 per year. Most visitors originate from the United States and Japan.

In 2011 a Chinese mega-proposal arrived that included projections of 20,000 hotel rooms, 1 to 2 Million tourists, five golf courses, as well as shopping malls, gambling casinos, and a convention center. The proposal originated from Exhibition and Travel Group (ETG), one of the largest convention center and tourism developers in China. This proposal was later scaled back to 10,000 rooms and has undergone various incarnations, but what remains is that any development in the scale proposed by ETG will have irreversible effects not only on the natural environment of Yap, but also on its culture.

Currently, the states of the FSM depend heavily on foreign aid from the United States, along with revenues from industrial fishing permits for their economic development. The islands have limited land-based resources sufficient for large-scale export. In the other hand, Yap is extremely rich with cultural and historical resources for heritage tourism. With the Compact of Free Association grant funds from the United States set to expire in 2023, future uncertainty surrounding this withdrawal of funds has facilitated fear-based arguments supporting the necessity of ETG's proposal. While it is in the best interest of islands like Yap to develop their tourism sector—their most valuable export—the development on the scale proposed by Chinese companies would potentially destroy the traditional culture and the pristine environment that are the very foundations for that industry. This scenario also has geopolitical implications beyond culture and economic development. East-West Center's Asia Pacific Bulletin has stated that those in strategic policy circles should note this shift in patronage from US support to heavy Chinese investment (Thompson, 2013).

Historical evidence indicates that developing countries that rely on foreign aid do not develop their economies as efficiently as those states that pursue their own economic development. As an alternative to large-scale development, OVOP projects introduced to mainland communities and islands like Yap can help create new jobs and expand tourism and tax revenues through cultural capital-induced productions. It can also improve revenue retention in small communities through the multiplier effect where direct, indirect, and induced spending, along with the taxes generated from these spending, can remain to improve the local economy. In communities that have already initiated “Buy Local” programs, OVOP can expand on these initiatives to grow local spending. The intended benefits of the OVOP economic development strategy in tourist destinations include: 1) Increase spending per visitor; 2) Increase local participation in the industry; and 3) Increase backward linkages to reduce leakages. (Li and Schumann, 2011).

The above-mentioned background information leads to the following research questions concerning OVOP projects in both Japanese and international communities: What were the challenges and success in creating employment opportunities within villages in Japan and other countries? What methods were used for workforce development in villages? What steps were taken in villages to train human resources and maintain employment for village residents? How did the Japanese cases differ, if at all, from the international?

Methodology

It is important that any community that is considering adopting a regional one-product strategy should acquire as much information regarding the effects from previous experiences in Japan and other countries that have communities utilizing the OVOP strategy. This research report provides brief cases of successes and challenges faced in these communities as community leaders worked to create employment opportunities for local residents to participate in entrepreneurial activities that contribute to economic growth and revitalization in previously economically depressed regions. The cases in this study were selected due to their widely known successes (particularly for Japanese cases) and analyses available following implementation. Field studies, literature research, and extensive interviews were conducted with key personnel associated with OVOP projects in Japan and other countries, including Japan International Cooperation Agency (JICA) experts, OVOP administrators and volunteer workers. Data from the International OVOP Exchange Committee in Oita was also collected to present the cases below. This report draws on documentary review, historical narratives of the development of OVOP in various regions in Japan and other countries. The comparative method is adopted as an effective method to

provide a critical analysis of implementation of OVOP in different contexts. Findings and a discussion including recommendations for implementation follow.

OVOP Cases – Japan

Oyama

Oyama, the prototype for Hiramatsu's OVOP movement and now a district of Hita City, defied guidance from prefectural and national policies promoting an increase in rice production and livestock-based agriculture and pursued instead to cultivate nuts, plums, and other fruits in the early 1960's under the leadership of former mayor Harumi Yahata. To discourage depopulation, there was an effort to provide residents with the same working conditions as salaried employees in urban areas, with regular base salaries and twice-yearly seasonal bonuses through production of reliable products as *enoki* mushrooms for the base salaries and seasonal products like plums and chestnuts for the semiannual bonuses. The strategy also included promoting the attractiveness of less intensive labor with high-income returns, providing three days off each week to allow for additional income-generating activities, such as the production of value-added products, if desired. The development of the local workforce started early in 1969 by sending young residents with potential to lead the local agricultural industry in the future to a work-study program at a Kibbutz in Israel. This later extended to study trips to Idaho for junior high school students and to other destinations around the world to ensure the sustainability of agricultural and community development initiatives, which resulted in Oyama town having the highest ratio of passport holders in Japan (Oita OVOP International Exchange Promotion Committee, 2013). Both the overseas experience and the shift to plum and chestnut production helped to elevate the desire of residents to develop their own skills to contribute to their community. The Oyama experience helped residents alter their views about their town and agricultural work, helped in the creation of their own distribution system through direct sales outlets and restaurants operated by farmers themselves, and gave residents a way to gauge consumer response to their products and enhance local capacity for development of new markets. Oyama continues to flourish today with various ecotourism projects, retail and organic restaurant operations, antenna shops in major cities, and the production of premium products, like *Yumehibiki*, a premium plum wine.

Yufuin

Yufuin was known as a hot springs resort even before OVOP was introduced, but the town was not as established and as well-known as the larger resort town of Beppu. In the 1970s, townspeople embarked on revitalization efforts through OVOP-related activities like hosting a unique outdoor film festival (which

today is Japan's oldest film festival), music festival, and organic food fairs to attract urban visitors. Much credit is given to the entrepreneurial spirit of Yufuin's young population to capitalize on the cultural aspects of bringing urban and rural people together through the offering of regional products, services and experiences. In a move similar to that of Oyama, Yufuin's mayor Iwao had sent three young people to Germany in 1971 to learn in detail about spas and community building and subsequently these lessons were brought back to Yufuin and shared with others. Another factor that helped strengthen local development was the challenge of maintaining the natural environment while pressures for large-scale development emerged in 1970. This led to the local community's collective effort to halt large-scale development of hotels and condominiums and to share profits among the small-scale local operators. Today young entrepreneurs offering creative products and services are visible throughout the city where its residents welcome over four million visitors per year. This can be attributed to the attractiveness of employment in Yufuin for the younger workforce with its festive atmosphere. The town is set in a neat configuration along a main street where there are many trendy shops, restaurants and museums that attract young female visitors. Today, large numbers of domestic and overseas tourists visit Yufuin. Websites in various languages guide visitors through the many shopping, dining, hot springs and lodging options that are mainly small, local businesses. Although the OVOP influence is still visible and maintaining a stronghold, the local flavor of the town is slowly giving way to more commercialized products from other regions and countries found in Yufuin's gift shops.

Ajimu

"Green Tourism" typically refers to environmentally friendly tourism in English, but in Japan, the expression takes on the meaning closer to agritourism. Green tourism and Ajimu are now synonymous after grape farmer Seiichi Miyata began encouraging city dwellers to experience farming first hand by staying in farm inns in Ajimu town starting in 1996. Prior to this, Miyata had visited a village near Freiburg, Germany, a number of times to experience the vineyard retreat establishments. An informal study group, comprised of Ajimu farmers and residents, called The Ajimu Green Tourism Study Group was established in 1997 and soon conducted study tours to Germany. Initiatives of the Ajimu Green Tourism Study Group led to the Ajimu town government announcing the establishment of a green-tourism based community. The study group subsequently formed a membership group of local farmers interested in hosting farm-stays and began to encourage the visits of urban residents. Because of Japan's strict hospitality industry laws, the residents initially faced the costly challenge of meeting requirements to comply with regulations. Eventually residents were able to find a way to circumvent the laws by having guests sign an agreement to the conditions. In the case of Ajimu, the OVOP product is the farm stay

experience in addition to the products from the farms. The Green Tourism project is a public-private partnership with farmers contracting with the town government to host visitors for sightseeing as well as agricultural and cultural experiences. Farmers have been able to supplement their primary farm income with revenue from home stay guests and family members have been able to participate in commerce by assisting with meal preparation and leading farm tours and other activities. The number of visitors from urban areas has grown over the years and this has been boosted by the addition of school groups that visit the town for the farm experience. Ajimu, well known for its grapes, now has a winery that sells directly to its customers allowing for greater profits. The winery produces only a limited amount of premium wines that cater to Japanese tastes and dishes, establishing a niche market, and avoids direct competition with foreign wines.

OVOP Cases—International

Thailand

Thailand, along with Malawi, was one of the first non-Japanese countries to adopt the OVOP approach in 2001. Thai officials had attended the Asia Kyushu Regional Exchange Summit organized by Governor Hiramatsu in 1994 and they were impressed with what OVOP had accomplished (Kurokawa et al., 2010). Thailand's OTOP (One *Tambon* One Product) was later implemented, with *tambon* referring to the basic administrative unit in Thailand. Although the *tambon* is not a village, the aims of OTOP are similar to Japan's OVOP. One clear distinction between OTOP and Japan's OVOP is that OTOP uses a top-down approach with guidance from the central government versus the bottom-up approach in Japan that relies more on local community networks. The government under Prime Minister Thaksin officially launched the OTOP Development Policy in 2001 with the central government playing an active role in providing funds, awards and training, establishing OTOP product championship standards for branding, and in building web sites for OTOP groups. The OTOP product championship program, which involves certification of products and product branding based on a grading system, was launched in 2006 to facilitate a connection between OTOP products and tourism (Fujikura and Mukai, 2015). This OTOP product championship program with the OTOP logo and one to five-star ratings, along with web-based marketing via "Thai Tambon dot com" have helped grow revenue from sales to overseas customers. OTOP implementation during the first five years received widespread criticism, however, due to the project's failure to enhance producers' capability in self-reliance and creativity (Natsuda et al., 2011). This was subsequently addressed with the introduction of new policies to develop human resources. The OTOP project has been contributing to the development of rural economies of

Thailand, particularly in employment creation. The latest available figures show that over 22,762 *tambons* nationwide participated in the project with 37,840 OTOP producers, and well over a million people including women and the elderly enjoyed increases in household earnings (OSMEP, 2008).

Nepal

Nepal officially introduced OVOP as a five-year pilot project in July 2006 after Nepali officials traveled to Thailand to study the success of the program with the assistance of JICA. They took note that the village population in Thailand is much larger in comparison to Nepal (equal to the Nepal's urban population), but the team saw potential in the basic concept of increasing economic activity through the commercialization of local products and worked on implementation in Nepal. OVOP in Nepal is a private-public partnership involving the Federation of Nepali Chambers of Commerce and Industry's (FNCCI) Agro Enterprise Centre with support from the Ministry of Agriculture Development and JICA (Ghimire, 2014). Under the OVOP program, thousands of farmers in Nepal have transformed their lives by replacing subsistence farming with commercial farming. By 2012, there were 17 products developed in 22 districts resulting from OVOP. Because of the initial success and recognition of greater future potential, FNCCI decided to extend similar programs in all 75 districts of the country. As a start, 48 different types of unique local products were identified, mainly consisting of agricultural products along with religious and village tourism products. (FNCCI, 2012). This strategy is an expansion of the still existent OVOP and has been named One District One Product (ODOP). ODOP focuses specifically on balanced economic growth, local employment, income generation, and food security, and works with the national government to promote entrepreneurship. Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is playing a very important role from the private sector in partnership with the Ministry of Agriculture and Cooperatives. Published plans by FNCCI identify each of the country's 75 districts with specific goals, including areas such as employment growth targets and developing skilled human resources.

Kyrgyz Republic

JICA played a significant role in the implementation of OVOP in the Kyrgyz Republic. They provided financial support for setting up the production cycle, organized training for human

resources development, and conducted marketing skills training for market study and for product sales. JICA also published a manual for members, which explained the economic aims as well as the important community building function of the project. After 3 years of study to examine the prospects for the development of Issyk Kul region's tourism and sustainable community development potential, the project began in 2006 with the primary target being community empowerment (Dadabaev, 2016). The project faced many challenges in the beginning, such as the fluctuation in the number of workers in work groups, varying production volumes due to seasonality of products, and lack of specialization to market the goods. The project reached a turning point in 2010. Ryohin Keikaku Co., Ltd., the company that runs the MUJI line of stores, including over 200 shops outside of Japan, inquired with JICA about potential sources for Christmas gift products that also had some links to charitable giving. As a result, a partnership was formed between MUJI and JICA Kyrgyz to produce felt goods, such as cell phone cases and cardholders. (Making products out of felt is a traditional practice to nomadic Kyrgyz people who have been doing it for generations to make yurts and other items.) The felt goods were produced by 25 groups living within an area up to 700 km around Issyk-Kul Lake. The producers received on-the-job training from Ryohin Keikaku, as company representatives communicated the importance of quality and the way the products were sold around the world, while they also listened to the opinions of the producers. Kyrgyz felt card holders and other small felt items hit the shelves globally at MUJI stores for the 2011 Christmas season and orders grew from 10,000 units in the first year to over 20,000 units in 2013 (MOFA, 2013). In 2011, The Kyrgyz One Village One Product Association was established and a new project was initiated the same year to assist with product development with the goal of enlarging the project with additional participating members. Some of the products other than felt produced by Kyrgyz OVOP include carpets, dried fruit, jam, white honey, and herbal soap. The project has had a significant impact on the empowerment of women, especially those who are responsible for household maintenance. The latest reports indicate that the project benefited participating individuals more than it created new employment opportunities for large groups and communities (Dadabaev, 2016), giving project leaders a challenge to establish new partnerships locally to extend OVOP's reach.

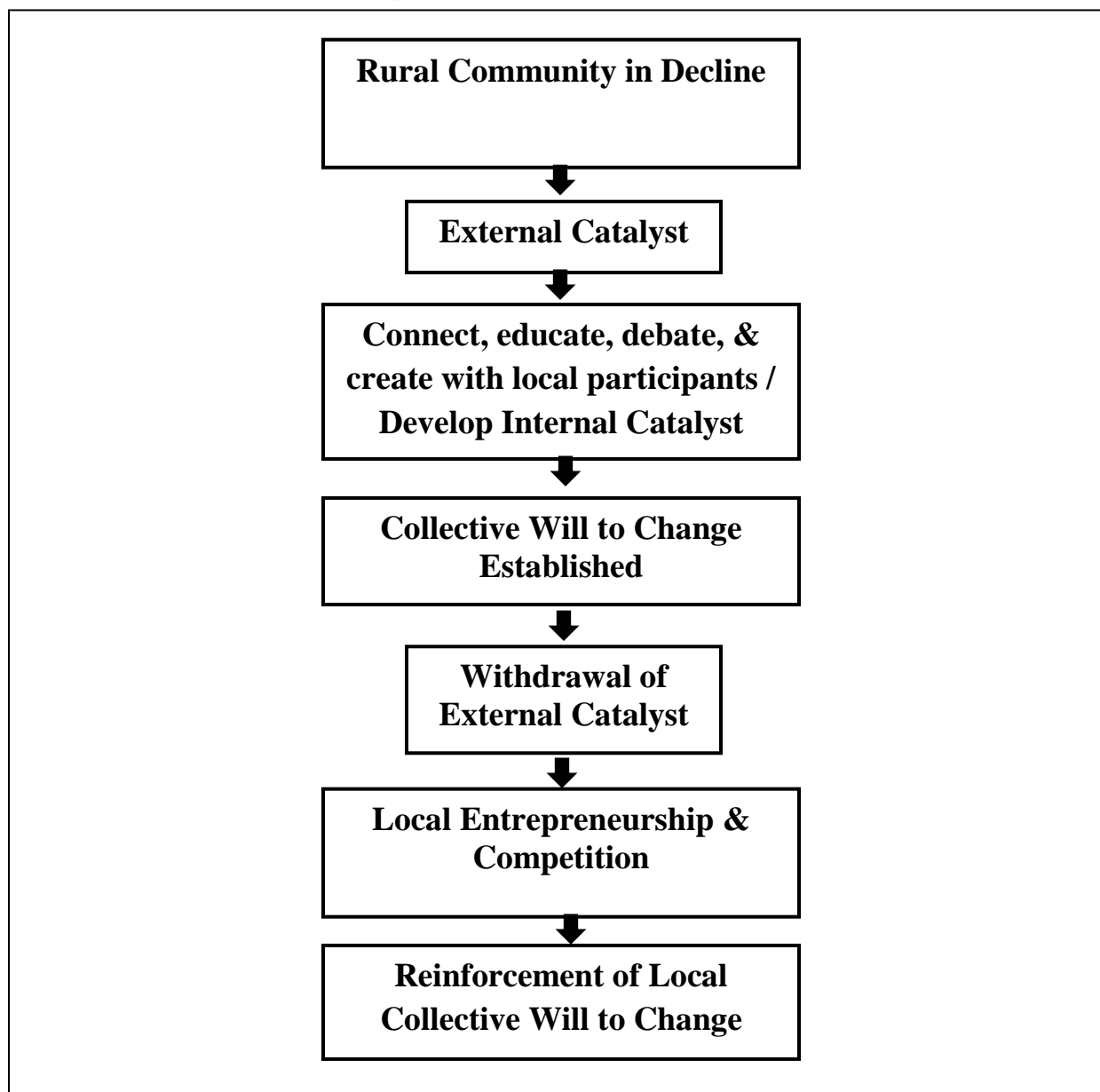
Findings

One of the greatest challenges faced in the cases described above was in turning the tide of decline in rural communities affected by emigration, isolation, aging, dependency, and various other factors. There was a need to introduce a culture of change, which was not easy due the deeply ingrained belief that change would not result in a viable economic future, especially in smaller communities with inherited traditions. Local potential for development exists in communities but there also exists a striking paradox in that endogenous development often requires an external “push” that can be described as an external catalyst (Melo, 1992). The introduction of the culture of change was eventually accomplished through external stimulus in all cases. This is not to be interpreted as a need for all cases to have an “outsider” who will introduce a predetermined packaged plan, as local development cannot be imported or implanted ready-made from the outside. In the OVOP cases presented in this report, this “push” was accomplished either by individuals that gained new knowledge by visiting other places, i.e., from Oyama to Israel and from Ajimu and Yufuin to Germany as in Japan’s cases. The new ideas brought back and introduced by these individuals together served as external stimuli to introduce the culture of change. For the international cases, either JICA officials as in the case of Kyrgyz Republic, or the country’s government officials that had visited OVOP sites in other countries, i.e., from Thailand to Japan and from Nepal to Thailand, together with new ideas became the catalysts to introduce the culture of change.

For OVOP or any social movement to be implemented successfully and for it to be sustainable, there must be a sense of ownership among those participating. Successful OVOP cases indicated that leaders working with local participants managed to have community members overcome their feelings of hopelessness or powerlessness by taking initiative even with limited resources. Community members were also encouraged to take pride in their own traditional culture and to view it as an advantage to develop unique products. In this manner, leaders of OVOP were able to test the local capabilities of turning ideas into projects, of working as a team, of matching ends with means, etc. Training by OVOP leaders involved encouraging connections among different activities, dissemination of information, the provoking of debates, and the management of training programs for the locally created initiatives. A key area of training in successful OVOP cases involved identifying highly motivated leaders within the local community and developing them as future leaders the OVOP movement. In most cases, this involved sending them to training opportunities, such as to a kibbutz in Israel from Oyama, to a German spa from Yufuin, or to villages in Thailand from Nepal. These individuals prepared to become the new internal catalysts from within the local communities to help sustain OVOP. These new leaders played an important role in getting a critical mass of the local population to adopt a “collective will to change”. This step of gaining local buy-in and commitment to social movement for change encouraged the formation of the communities’ entrepreneurial outlook. OVOP participants in this phase showed the

capacity of the groups to think and act within the framework of a common project, with the goals of survival and improvement of living conditions through local development. After reaching this phase and creating local participative structures able to consolidate and implement the chosen local development strategy, then the individuals who served as external catalysts with new ideas were able to withdraw from the OVOP project and have the internal catalysts take leadership roles. This framework, as shown in Figure 2, captures the rural development phases described by Melo (1992) with a more liberal view of external catalysts, which includes individuals that are not fully independent and external to the areas concerned. The form of external stimulus is multifaceted with a number of differing dimensions.

Figure 2. Rural Community Development Process



Source: Author

The process described above was not without challenges and was a gradual process. The challenges, especially in the small, isolated communities, included adapting to change as well as trust building when presented with new ideas from an individual or individuals who may not be from the community. The OVOP cases also faced the challenge of balancing facilitation without diminishing the role of self-reliance and creativity. Allowing for participatory attitudes and joint activities to lead to the autonomy of the local community is very important. The top-down approach in Thailand drew criticism regarding the de-emphasis of self-reliance and creativity, with participants lacking entrepreneurial qualities shown in other OVOP locations. Another challenge faced by cases in this report involved maintaining small-scale industry with a community focus to continue the training of residents and to preserve social, cultural and environmental resources, especially when facing growth prospects. Yufuin residents worked together as a community to establish legislation limiting development to small enterprises after large-scale development activity emerged. In Thailand, the emphasis on growing sales outside of local communities lessened attention to people development, one of the three main principles of OVOP.

Ultimately, the rural community development process should lead in the long run, to the autonomy of the local community and to the ultimate withdrawal (or change of status) of external leadership, to be replaced by local, legitimate and qualified leaders comprised of enterprising individuals and active groups (Melo, 1992). In the OVOP cases, local entrepreneurship emerged and once groups showed signs of success, friendly competition took over and encouraged other groups to improve performance. This snowball effect of growing entrepreneurship and making improvements in the structures and processes was evident in all cases, reinforcing the local collective will to change. With OVOP, this was accomplished while preserving the characteristics of rural areas and without the damaging social, cultural and environmental effects that often come with large-scale development.

Three common success factors for workforce development can be identified for the six cases presented in this report. First, each of the cases had an external catalyst to serve as an intermediary agency to effect change, as this is typically needed to introduce a culture of change in declining rural communities. Second, successful cases showing long-term promise maintained focus on people development, commonly referred to as *hitozukuri* in Japanese OVOP cases. Oyama sent young OVOP participants overseas to a kibbutz for study and continued to provide training and networking opportunities for participants over the years. Thailand, on the other hand, had received criticism for its largely economic focus, the targeting of mainly urban and external markets including exports for the sales of products, and as a result being less concerned with development of the local community. Finally, success in the cases can be attributed to the

diversification of products and services offered by the OVOP villages. This diversity resulted in various benefits to the community, such as a varied income streams in Oyama to match the urban pay system of base salary with certain agricultural products supplemented by semi-annual bonus payments with the plums and chestnuts. Other examples include the various unique products, services and events offered in villages to provide for greater community participation in revenue-generating OVOP activities throughout the year.

It is important to note that the methods of implementation in international OVOP cases presented in this report were quite different from Japan. In the case of Thailand, there was a strong initiative taken by the central government and with an emphasis on economic rather than social purposes, unlike Japan's cases where community and human resources development received higher priority. Although it created jobs and improved skills of workers, OTOP was unfortunately viewed as a strategy that has ended up as nothing more than a government-led project for the manufacturers of new local specialties (Thu, 2013). In Nepal's case, private-public partnerships with large organizations, such as the Nepali Chambers of Commerce and the Ministry of Agriculture have led to workforce development programs. In the Kyrgyz Republic, JICA involvement and a mutually beneficial partnership with MUJI established a direct link to markets outside the region and produced employment opportunities primarily for women in the Issyk Kul region. The cases in this report show that differences in terms of administration, human resources management, finance management, and marketing promotion should be expected between OVOP cases in Japan and other countries. The international and domestic cases also show a careful adaptation and application of the OVOP model to local conditions with the need to monitor each situation for possible further adjustments.

Discussion

Three important points are evident from case studies presented in this report. One is that OVOP is a proven strategy for potential revitalization of depressed rural communities in Japan and in other countries. The cases presented here show the effectiveness of the strategy in developing and training a workforce with available local resources, no matter how limited they are. In addition to the cases mentioned in this report, there are numerous other OVOP, and OVOP-like cases, that capitalize on the uniqueness of local products and enhance economic opportunities in rural communities. For example, in a strategy similar to one used by OVOP, many Japanese local governments have set up "antenna shops" in large cities both in and outside Japan seeking new markets for their region's local specialty products. The Japan Center for Regional Development (JCRD) in recent years has been holding tours of antenna shops throughout Japan and has even offered seminars for foreign nationals who wish to pursue similar initiatives in their own

countries (Nippon.com, 2015). According to JCRD, the word "antenna" connotes that the shops not only distribute information but also collect data on consumers' needs and trends, utilizing the same strategy most OVOP participants use with their direct sales approach.

The second point is that adaptations in the implementation of the strategy may be necessary in developing workforce due to differences in communities, such as geographical size, cultural values, political systems, etc. These are all of vital importance in each community and the relationship of each as they relate to workforce development issues must be understood before attempting to implement any of the OVOP strategies. In regards to political systems and implications of OVOP in a community, it is necessary to monitor political participation since the OVOP movement and regional development have the potential to be used for political purposes. If this aspect is ignored then grass-roots development, which is an important objective of OVOP, can turn out to be a short-term policy maneuver to gain votes with OVOP used simply as a political tool. To ensure proper implementation and sustainability of the OVOP movement, minimizing political affiliation with OVOP may be prudent. In some cases, this may involve referring to the strategy with a name other than OVOP, but retaining OVOP's key principles.

The final point evident from this study is that OVOP provides an alternative to large-scale development with potential negative social, cultural and environmental effects. There are many declining rural communities around the globe where residents believe that the only way to a more prosperous future with greater employment opportunities is to invite large-scale development into their community. Residents in these communities should be made aware of alternative strategies, such as OVOP, that capitalize on the community's unique features that result in the creation of revenue-generating products, services, and events that best suit the area and that can lead to an enhanced quality of life in these communities. This is particularly valuable for small islands around the world that are facing large-scale development to further develop their tourism industry, without taking into account that the very things that their tourists are seeking may be lost with the unintended consequences of large-scale development. Small island economies are defined as island states with less than one million inhabitants and less than 5,000 km² in area. There are close to fifty small island economies in the world that can benefit from OVOP strategies.

Summary

This research report presented OVOP cases, briefly covering the successes and the challenges faced in communities as they worked to create employment opportunities for local residents. In cases representing Japanese and international communities, leaders encouraged community members to participate in entrepreneurial activities that followed the three guiding principles of OVOP, which involves creating

local, yet global products, encouraging creativity and self-reliance, and developing human resources. The common success factors for the six cases in this report consisted of each having a form of external catalyst to influence change in the community, a clear focus on people development, and a diversification of products and services in the villages to enhance revenue-generating opportunities throughout the year.

Based on the cases in this report, it is clear that human resource development in the communities need to remain at the forefront for starting OVOP and for sustaining its operation. Leadership that is people-centered (meaning that while revenue generation and growth of market opportunities are important the training of people and the building of community must not take a back seat to other goals) is critical in maintaining the trust and motivation of OVOP participants. The cases also revealed that individuals benefited from training and increased income by participating in OVOP activities, but this was not widespread in areas where there was inconsistent practice of and less emphasis on networking and knowledge sharing. By collaborating with public and private sector organizations that have common goals through networking and knowledge sharing, communities can achieve greater collective impact rather than limited effect resulting from the scattered, piecemeal approach.

The OVOP model undeniably holds great potential for communities interested in creating employment in a vibrant local economy amidst a globalized world with formidable competitors selling goods and services. One of the strengths of grass-roots movements like OVOP is that they tend to be less vulnerable to external factors. Despite the unpredictable fluctuations of a global economy, local entrepreneurs can have greater control of their community's economic destiny. The OVOP model is one way to promote sustainable regional development, while at the same time, addressing other challenges such as the alleviation of poverty, revitalization of depressed rural communities, reduction of income gaps, and expansion of employment opportunities.

Further studies in the application of OVOP strategies for workforce development and employment issues in rural communities and small island communities can be beneficial in addressing concerns in Japan and other countries around the globe. With growing numbers of the elderly in Japan and other highly industrialized nations, research of work-share programs for this demographic utilizing OVOP strategies may be of value. In addition, the study of OVOP and the employment opportunities they provide for women in rural areas may help shed some light on sustainable methods to achieve women's empowerment through small-scale enterprises aligned with the principles of OVOP.

References

- Bauman, Z. (2007). *Work, Consumerism and the New Poor*. New York: Open University Press.
- Dadabaev, T. (2016). *Japan in Central Asia: Strategies, Initiatives, and Neighboring Powers*. London: Palgrave Macmillan.
- FNCCI. (2012). *Balanced Economic Growth, One District One Product: Local Employment, Income Generation & Food Security*. Federation of Nepalese Chambers of Commerce and Industry/Agro Enterprise Center (FNCCI), Kathmandu, Nepal: FNCCI, 2012.
- Ghimire, B. (2014). "One Village, One Product," *Development Advocate Nepal*. Kathmandu: United Nations Development Programme (UNDP), October 2013 - March 2014, pp. 23-25.
- Government of Japan. (1969). *The New Comprehensive National Development Plan*. Economic Planning Agency. Retrieved from <http://files.eric.ed.gov/fulltext/ED062232.pdf>
- International Exchange OVOP Committee. (n.d.). In *One Village One Product Movement*. Retrieved from http://www.ovop.jp/en/ison_p/haikei.html
- Kurokawa, K., Tembo, F. & Velde, D.W. (2010). "Challenge for the OVOP Movement in Sub-Saharan Africa: Insights from Malawi, Japan and Thailand," *Working Papers 18, JICA Research Institute*. London: Overseas Development Institute.
- Li, N. & Schumann, F.R. (2013). "The One Village One Product (OVOP) Model and Economic Development on Guam," *Journal of Economics and Economic Education Research*, Volume 14, Number 3, 2013.
- Matsui, K. & Yamagami, S. (2006). *Isson Ippon Undou to Kaihatsutojyokoku (One village one product and developing countries)*. Chiba, Japan: IDE-JETRO, 2006.
- Melo, A. (1992) Education and Training for Rural Entrepreneurship, *Business and Jobs in the Rural World: Local Initiatives for Job Creation*. Paris: OECD, pp. 85-103.
- METI. (2015). "One Village, One Product Campaign: Since 2006." *Ministry of Economy, Trade and Industry*. Retrieved from http://www.meti.go.jp/english/policy/external_economy/trade/OVOP/index1.html
- MOFA. (2013). "Promoting Growth among Craftspeople through Japanese Corporate Quality Standards: Global Debut of Kyrgyz Felt Products at MUJI," *Japan's Official Development Assistance White Paper 2013*, Ministry of Foreign Affairs of Japan. Retrieved from <http://www.mofa.go.jp/policy/oda/white/2013/html/column/column14.html>
- Mukai, K. & Fujikura, R. (2015). "One village one product: evaluations and lessons learnt from OVOP aid projects," *Development in Practice*. 25:3, 389-400.

- Murayama, H. & Son, K. (2012). Understanding the OVOP Movement in Japan. In H. Murayama (Ed.), *Significance of the Regional One-Product Policy: How to use the OVOP/OTOP movements* (pp. 197-208). Pathumthani, Thailand: Thammasat Printing House.
- Natsuda, K., Igusa, K., Wiboongpongse, A., Cheamuangphan, A., Shingkharat, S., & Thoburn, J. (2011). *One Village One Product – Rural Development Strategy in Asia: The Case of OTOP in Thailand*. RCAPS Working Paper No. 11-3, August 2011, Ritsumeikan Center for Asia Pacific Studies (RCAPS), Ritsumeikan Asia Pacific University.
- Nippon.com. (2015) “Antenna Shops” Bringing Regional Flavors to the Big City. *Nippon.com*. 2015, April 8. Retrieved from <http://www.nippon.com/en/features/h00104/>
- Oita OVOP International Exchange Promotion Committee (2013). *2004-2012 Records of Activity: OVOP, spreading throughout the world*. Saiki: Saiki Printing Co., Ltd.
- OSMEP (2008). *OTOP Summary Report 2003-2008*, Bangkok, The Office of Small and Medium Enterprises Promotion (OSMEP).
- Ritzer, G. (2014). *The McDonaldization of Society*. Los Angeles: Pine Forge Press.
- Rubenstein, D. & Mulalap, C.Y. (2014) “Yap Paradise Island”: A Chinese Company’s Proposal for Building a 10,000-Room Mega-Resort Casino Complex, *MARC Occasional Seminar*, University of Guam, May 8, 2014.
- Thompson, A. (2013). “Tourism in Yap and Micronesia: Will China Run the Show?,” *Asia Pacific Bulletin*, East-West Center, Number 199, February 7, 2013.
- Thu, N.T.A. (2016). “One Village One Product (OVOP) in Japan to One Tambon One Product (OTOP) in Thailand: Lessons for Grass Root Development in Developing Countries,” *Journal of Social and Development Sciences*, 4-12, 529-537, Dec 2013.
- WHO. (2016). Global Health Observatory (GHO) data. *Urban Population Growth*. World Health Organization. Retrieved from http://www.who.int/gho/urban_health/situation_trends/urban_population_growth_text/en/