

Challenges for the OVOP movement in Sub-Saharan Africa

-Insights from Malawi, Japan and Thailand

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* Disclaimer: The views presented in this paper are those of the authors and do not necessarily represent the views of JICA or ODI

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Acronyms and Abbreviations

BAAC: Bank for Agriculture and Agricultural Cooperatives, Thailand

CD: Capacity Development

CDD: Community Development Department, Ministry of Interior, Thailand

CFA: Confirmatory Factor Analysis

DFID: UK Department for International Development

EIB INFAC: European Investment Bank Investment Facility

G8: The Group of Eight is a forum, created by France in 1975, for governments of eight nations of the northern hemisphere: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States

GTZ: Deutsche Gesellschaft für Technische Zusammenarbeit

HRD: Human Resource Development

JETRO: Japan External Trade Organization

JICA: Japan International Cooperation Agency

KOICA: Korea International Cooperation Agency

MDGs: Millennium Development Goals

METI: Ministry of Economy Trade and Industry, Government of Japan

MITI: Ministry Of International Trade and Industry, Government of Japan

MOFA: Ministry of Foreign Affairs, Government of Japan

MPRSP: Malawi Poverty Reduction Strategy Paper

OVIC: One Village Industrial Cluster

OTOP: One Tambon One Product (Tambon=village in Thailand)

OVOP: One Village, One Product

PCA: Principal Component Approach

SEM/LV: Structural Equation Mode with Latent variables

SMEs: Small and Medium sized Enterprise

TICAD: Tokyo International Conference on African Development

UNDP: United National Development Programme

UNIDO: United National Industrial Development Organization

Abstract

This paper compares the One Village One product (OVOP) movements of Japan, Thailand, and Malawi to examine their similarities and differences and to provide Sub Sahara African countries which are adopting the OVOP approach with measures necessary to overcome existing constraints. The OVOP movement encourages the mobilization of local human, material, and cultural resources to create value-added products/services for domestic and external markets. However, the Thai and Malawian OVOPs were initially different from the Japanese OVOP due to the strong initiative taken by the central government and in the emphasis on economic, rather than social, purposes.

We assess and compare the effectiveness of OVOP approaches in three countries. With respect to Malawi, we find that OVOP has helped to improve productivity in some cases, changed the value chain structure in other cases, provided market access through labelling and reach many thousands of households.

This study suggests that, in order to make OVOP take off in Africa, prompt actions are necessary in several fronts. First, spatial connectivity needs to be improved so that OVOP producers can participate in national and global value chains. The brand-making and e-commerce could also be promising areas as demonstrated by the Thai success. African countries will further need foreign cooperation in financing and management trainings. In order to use limited resources effectively and efficiently, however, external and internal stakeholders must coordinate their activities closely. Finally, we need to introduce social indicators (such as women's empowerment, capacity improvement of community leaders, and self realisation), in addition to economic ones, to assess the effectiveness of the OVOP movement.

1. Introduction

1.1. Background and objectives

There is an urgent need to reduce poverty by revitalizing the regional economy in Sub Sahara African countries. The One Village One Product (OVOP) movement, which originated in Oita prefecture, Japan, is one example of a successful regional development policy. In 2006, the Japanese government launched the OVOP Campaign as part of the Aid for Trade initiative at the WTO Hong Kong Ministerial Conference. In 2008, at the TICAD IV and G8 meetings, the Japanese government reconfirmed its commitment to African development including its support to OVOP programmes. So far, twelve African countries -- Kenya, Ethiopia, Mozambique, Uganda, Tanzania, Nigeria, Zambia, Madagascar, South Africa, Senegal, Ghana, and Malawi – have adopted the OVOP approach. In these programmes, people are encouraged to identify local material, natural, or cultural resources and to devise methods to add value to them.

In spite of the positive promotion by the Japanese government, ambiguities remain in the understanding of the OVOP approach among donors as well as partner countries. The objectives of this paper is first to clarify the uniqueness of the OVOP approach as initially elaborated in Japan, to examine how it has been applied to Thailand and Malawi, and understand the effects and challenges of OVOP

These two countries were selected because they were the first non-Japanese countries that adopted the approach. This turn of the event is due to the international initiative taken by Dr. Morihiko Hiramatsu, governor of Oita between 1979 and 2003 and the founder of the OVOP movement. He was enthusiastic about international cooperation and organized the "Asia Kyushu Regional Exchange Summit" in 1994. Officials from Thailand and Malawi were among the invitees. They were impressed by the OVOP so much that they promoted the idea in their countries. This led to the official launch of the OVOP movement in the two countries in 2001.

The ultimate purpose of this paper is to extract lessons from the Thai and Malawian experiences of OVOP activities and to explore best practice measures for Sub Saharan African countries to tackle challenges and constraints they face in the implementation of OVOP programmes.

1.2. Previous studies on OVOP

There are a number of studies on the Japanese OVOP movement, but most of them are written in Japanese. As OVOP becomes an internationally recognized regional policy, however, studies in English have been increasing. They are categorized into three different kinds.

The first type of study discusses adaptability and positive impacts of the Japanese OVOP approach in other countries. For example, Igusa (2008) argues that the Oita model is applicable to Asian countries. Kurokawa (2008) describes the OVOP movement as a development policy for developing countries but points out clear differences between the original OVOP and overseas OVOPs. Reviewing the trajectory of Japan's National Development Plans from 1960s to 1990s, Yoshimura (2004) from the UNCRD stresses that the most important task for sustainable regional development such as OVOP is to promote community-oriented economic and industrial policies by utilizing local resources (including nature, culture and history). Hayashi (2007) also emphasizes the importance of community-oriented nature of any regional development policy. In addition, he mentions the importance of agglomeration, cluster and innovative environment.

The second kind of study is concerned with case studies of specific OVOP activities. Stenning (2008) examined the origin of the OVOP movement in a small town called Oyama-machi, Oita prefecture and found the essence of the movement in networking activities. Yamagami (2007), however, argues that the real essence of the development plan of the Oyama town lies in its diversity.

The third type of the study focuses on brand values of local products. Okura (2007) conducted an interview survey among Oita consumers and found out that they recognize brand values in OVOP products. He concludes that the success of the OVOP brand depends on continuous supports from local governments. Fujita (2006) also discusses OVOP brand values from the viewpoint of spatial economics and endogenous growth theory. He depicts the two uniquely Japanese concepts -the OVOP and Michino Eki (Roadside Stations) - as potential tools for bridging the gap between cities and rural areas. He considers both OVOP and Michino Eki as rural development strategies of a broader nature based on "brand agriculture." This represents a general strategy for community-based rural development that identifies, cultivates and fully

utilizes local resources for the development of products or services unique to each village.

Studies of non-Japanese experiences are still limited. Fujioka (2006) examined the Thai OTOP and found out that it is different from the Japanese prototype in the sense that the Thai OTOP is a top-down scheme led by the central government while the Japanese OVOP is bottom-up. On the other hand, Yoshida (2006) found out that the Malawian OVOP is a proposal-based community project complemented by low interest-rate loans

Comparative studies on the original and overseas OVOPs have provided limited insights. Our study attempts to contribute to OVOP studies by comparing the original OVOP of Japan, the Thai OTOP, and the Malawian OVOP, clarifying similarities and differences among the three cases, and by extracting lessons from the comparison for the future application of the OVOP approach to Sub Saharan African countries.

1.3. Research and data

In the following sections, experiences of Japan, Thailand, and Malawi will be examined individually and comparatively. The section on the Japanese OVOP is mainly based on case studies on local towns (such as Oyama and Takeda) in the Oita prefecture. Sections on Thailand and Malawi are based on field surveys conducted in 2008 and 2009. In Thailand, direct observations and interviews with government officials and OVOP leaders are complemented by a household survey conducted with the help of Khon Kaen University. In Malawi, information was gathered mainly from group leaders with the help of the OVOP secretariat and JICA experts. Since many OVOP groups still lack the capacity to keep adequate sales records and financial statement in Malawi, only a few groups could be studied in depth.

2. Basic Characteristics and Achievements of the Oita OVOP Movement

2.1. Origins of the Oita OVOP movement

The original OVOP movement was launched in 1979 by then Governor of Oita Prefecture, Dr. Morihiko Hiramatsu. He encouraged residents in villages and towns to select a possible product or industry distinctive to their village or town and foster it to be a nationally, or even globally, marketable one.

Dr. Hiramatsu's idea, however, had an antecedent in his prefecture. Back in 1961, Mr. Yahara, Mayor of Oyama Town, launched a New Plum and Chestnut (NPC) strategy which aimed at transforming the local agricultural production from rice to more promising plum and chestnut and thus improve the livelihood of his hilly town which was the poorest in Oita Prefecture (Adachi 2005). Previously, local people had worked as woodcutters or seasonal migrant labourers to make ends meet. The challenging attempt of Oyama Town whose motto was "let's plant plums and chestnuts to go to Hawaii!" was proved to be successful. As their income increased thanks to the new products, local people really visited Hawaii in 1967. The NPC movement later changed its name and nature from an economic to a social one: New Personality Combination (NPC) first and then New Paradise Community (NPC) which aimed at human and community improvement.

The success of Oyama Town largely stemmed from self reliance and creativity of the people themselves. Hiramatsu's OVOP movement inherited this spirit and called for people to take positive initiatives for themselves instead of expecting benefits coming down from the government. Regardless if it is called OVOP, the basic message of the Oita experiences is that local societies can be revitalized through community-based endogenous movement. This movement has spread to other rural societies of Japan which are left out from the economic development of the nation and suffer from out-migration and aging population¹.

¹ Even in developing countries like China and Thailand, rapid urbanization and aging are becoming major constraints in rural areas. This is one of the reasons why we should take a fresh look at One Village One Product movement as a universal rural development policy.

2.2. Three principles of the OVOP movement

According to Oita OVOP International Exchange Promotion Committee, there are three principles in the OVOP movement: (i) creation of globally acceptable products/services based on local resources, (ii) self-reliance and creativity, and (iii) human resource development (JICA-ODI 2008[7]). The feature common to all three principles is the emphasis on local ownership.

The first principle is best expressed through the motto "Think Globally, Act Locally." Local residents are expected to create globally marketable products/services which embody people's pride in material and cultural richness of their home villages/towns. The "story" behind any product or its development helps attract consumers' attention. Such local flavour will help add values to local products while the use of local human and material resources will help make economic activities sustainable.

To find out marketable products or services, self-reliance and creativity are crucial since local knowledge and instinct can aid the discovery of "buried treasures" in each village/town. Everything local is potentially valuable, but whether the potential turns into a reality depends on the initiative and effort of local people. One of the best examples is the Kabosu lime. It was neglected as a useless plant and every farmer preferred to plant ordinary orange. In response to Hiramatsu's call for OVOP, the farmers in Takeda Town and some other villages decided to explore the potential use of Kabosu limes for cooking. Kabosu juice, with citric acid and vitamin C, is found to be medicinal and give added flavour to certain dishes, desserts and drinks. It successfully captured the mind of Japanese consumers and became one of the representative products of Oita.

The third principle of the OVOP movement is its emphasis on human resource development. The regional development policy of Japan has traditionally focused on construction of infrastructures like roads and bridges. The OVOP movement, in contrast, emphasizes visionary local leadership with challenging and creative spirit. The success of any OVOP product/service largely depends on its quality- developed and improved by local people themselves. OVOP shares its focus on quality with Kaizen or 5S.

2.3. The role of the local governments

Notwithstanding the importance of local people's initiatives, the prefectural and municipal governments of Oita played an important facilitating role, especially in technical development, producer promotion, and product marketing. Yujiro Okura, one of the most prominent analysts of the Oita OVOP movement, points out that the success of OVOP was due to the continuous support given by the local governments. (Okura 2007).

In the field of technical support, research institutes belonging to the prefectural government, such as Agriculture & Fishery Research Centre, Mushroom Research Institute, Floricultural Research Centre, and Oita Prefectural Bamboo Crafts Training Guidance Centre, help improve the quality of local products and offer local producers training programmes.

The granting of awards or prizes by the prefectural and municipal governments contributes to heightening the motivation of local residents. No one before Dr. Hiramatsu thought of praising rural women for their cottage-industry-type activities such as sweets production. Awards/prizes offered to their effort and products by Governor, mayors and presidents of the local chambers of commerce and industry are enthusiastically welcomed by OVOP groups and contribute to enhancing participation and commitment by local people to the OVOP movement.

The Oita prefectural government helps market OVOP products by periodically holding Oita Fair/Product Exhibition. It further promotes Local Produce/Consumption Promotion Campaign such as Toyo-no-kuni (the traditional name of Oita which literally means the land of abundance) Fresh Produce Campaign and "One Village One Fish" Fair².

Even national public entities help strengthen the OVOP movement in promotion and marketing. Michi-no-Eki (roadside station) is one of such initiatives. This was launched in 1993 jointly by national highway administrators and local governments/people to facilitate travelling and tourism in the era of motorisation. Local communities along main

² In addition, as many as 34 local private companies sympathetic to the OVOP movement established a joint stock company called Oita One Village One Product Co. Ltd. to promote OVOP products nationally through direct and internet marketing.

highways desired to provide retail goods and dining services to automobile users who passed by their communities. For this purpose, local governments cooperated with the public highway administrators from both national and local governments to construct and maintain Michi-no-Eki where local goods, rest facilities, and information are provided to motorists. As easily imagined, the roadside stations serve as outlets for OVOP goods and as entrance points for OVOP services such as cultural events and eco tourism³. As of July 2009, there are 917 Michi-no-Eki in Japan⁴. According to the World Bank, while “a Michi-no-Eki is not a large scale public-private partnership such as a toll road, it is a unique kind of facility with the potential for enabling the development of public-private partnership in economic activities at the local level” (World Bank 2004[28]).

2.4. Achievements of the Oita OVOP movement

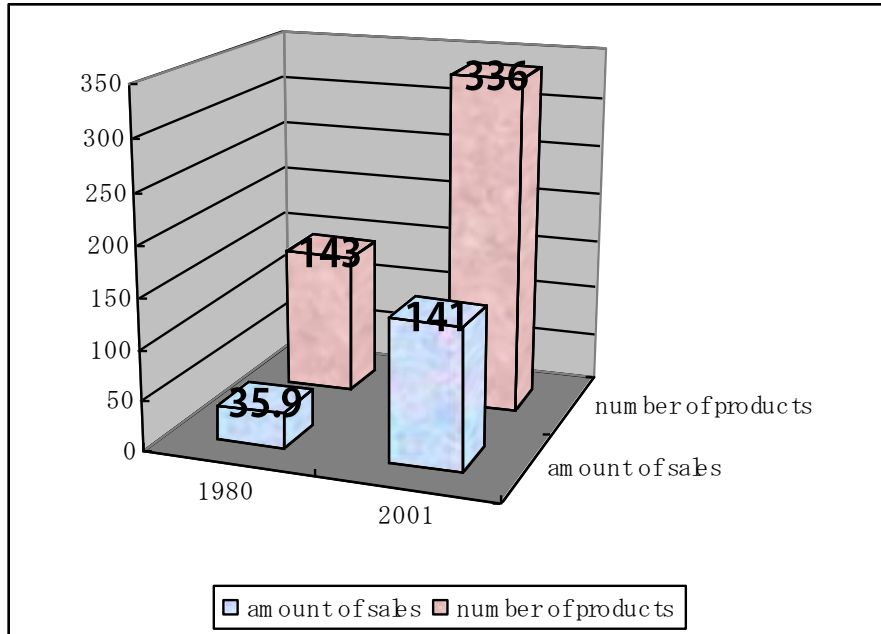
According to the Oita OVOP International Exchange Promotion Committee, by 2002, a total of 810 OVOP-related products, facilities, events, and activities were recorded: 338 local specialty products, 148 facilities (such as community centres), 133 cultural items, 111 local economic activities (such as food contests), and 80 activities related to environmental protection. The OVOP movement thus covers broad areas extending from food production to environmental protection.

If local specialty products are counted, a large increase occurred between 1980 and 2001, as demonstrated in Figure 1 below, with regard to the number and sales amount (hundred million yen) of the products

³ According to Prof. Sakurai of Chiba University, “over-urbanization has prompted the re-evaluation of rural life. Not only villagers but also some urban residents are interested in rural resources and are trying to make good use of them. This trend presents opportunities to utilize rural resources for community-based socio-economic activities” (Sakurai 2005).

⁴ Information downloaded from http://www.mlit.go.jp/road/station/road-station_hist.html on February 10, 2010.

Figure 1: Number and sales of specialty products in Oita

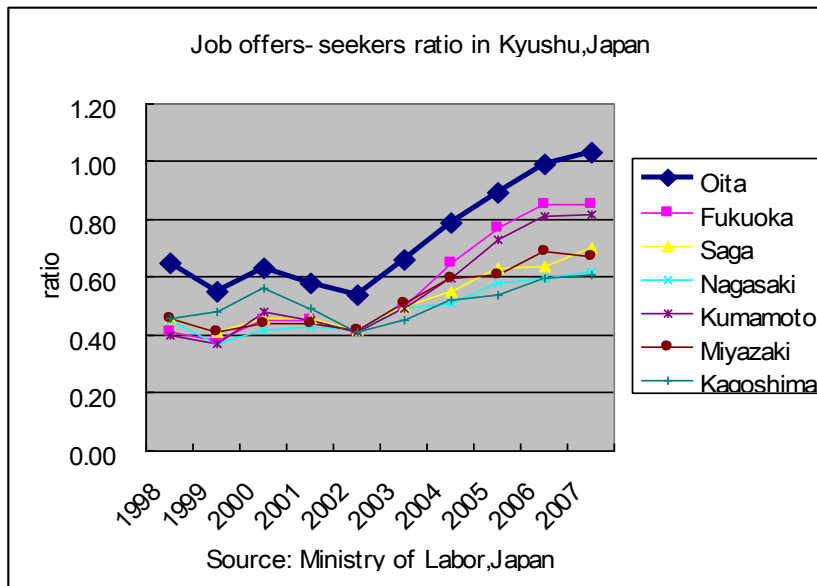


Oita is also prominent as for the expansion of Michi-no-Eki. Oita with the population of 1.2 million has 22 road stations while Fukuoka Prefecture which is the most urban and populous (with 5 million people) in the Kyushu Island has only 18 stations⁵. In every respect, Oita continues to be a vanguard of the OVOP movement.

However, it is not easy to make an accurate measurement of an overall OVOP impact on the prefectural economy. The prefectural government of Oita uses the employment figure as its proxy when it explains the utility of the OVOP movement to the residents. As shown in Figure 2, the ratio of job offers to job seekers is the highest in Oita among the Kyushu Island prefectures. This means that Oita is the best place to look for jobs.

⁵ This means 280,000 people/station in Fukuoka and 54,500 people/station in Oita.

Figure 2: Job offers-seekers ratio in Kyushu, Japan



2.5. The Japanese model of OVOP

The most important ingredient of the Japanese model of OVOP is the initiative and practical innovation by local residents. Daily activities, nature and local entertainment can be turned into valuable products or services to be marketed. Activities such as big voice or shouting contests in Yufuin town and pond cleaning in in Ajimu town attract people from outside Oita. Sometimes, ideas come from outside but are elaborated into local events or activities which use fully or partially local resources, both material and human. The public offices, mainly local governments but sometimes even national public entities, serve as facilitators of the OVOP activities helping technical innovation, production, and marketing.

3. Thai OTOP (One Tambon One Product) movement

3.1. Commonalities and differences between the Japanese OVOP and Thai OTOP

Tambon is the basic administrative unit in Thailand. Therefore, OTOP is more or less equivalent to the Japanese OVOP although the “village” in OVOP is not necessarily confined to the administrative unit and therefore can be geographically more flexible.

The Thai OTOP, like its Japanese predecessor, aims at encouraging the development of rural economy through the use of local resources and with community members’ participation. One Thai observer writes: “The benefits of OTOP have not only been economic. Local community leadership and pride have also grown as a result” (Wattanasiri 2005). Indeed, existing producer groups of traditional crafts (such as Mudmee silk in Northeast district and processed foods such as fish sausage and peanuts cracker) were recognized as producers of OTOP five-star products and encouraged to take advantage of the OTOP policy to improve their marketing.

We observe a marked difference between the Japanese and Thai models in the role played by the central government. Rika Fujioka (2006) who conducted a comparative study of Japanese OVOP and Thai OTOP conclude that the former is bottom-up while the latter is top-down.

Initially, it was the government under Prime Minister Thaksin that officially launched the OTOP Development Policy in 2001 as a measure to revitalize and diversify the rural economy as a part of national economic restructuring⁵. The central government played an active role in providing funds, awards and trainings, conducting OTOP product championship for brand-making, and in building web sites for OTOP groups.

⁵ There are, however, many cases in which endogenous cottage industries had started to develop before the introduction of OTOP. Ikemoto conducted a field survey in a Yasothon Province village where the now famous triangle pillows are produced. Ikemoto dug out the history of the industry describing how a cluster with its agglomeration effects developed as the production group in a village expanded its production networks into neighbouring villages (Ikemoto 2000).

The basic motivation of Thaksin was twofold: to get support from the farmers and to foster coordination among government programmes. He visited many OTOP groups and encouraged rural people just as Dr. Morihiko Hiramatsu had done in Oita. In addition, since there are many government agencies and programmes aiming at cottage-industry promotion, close intra-governmental coordination was needed for a successful mobilisation of local human and material resources. As the knowledge about local conditions is only available at the local level, the role of OTOP subcommittees which was formed under the auspices of the Ministry of Interior in the process of de-centralisation has been crucial.

The following are the most important subcommittees placed under the OTOP National Administrative Committee and their functions (The Office of Small and Medium Enterprises Promotion, Ministry of Industry 2008).

1. Management subcommittee
 - Execute and coordinate plans and strategies agreed upon by the OTOP National Administrative Committee
 - Coordinate with concerned authorities in relation to the operational planning and budgeting of the set plans and strategies
 - Develop OTOP database and create information systems with parties involved in the OTOP project
 - Monitoring and evaluation
2. Marketing subcommittee
 - Lay down marketing policies, action plans, and marketing directions
 - Identify distribution channels and consider appropriate locations for the setting up of domestic and international distribution outlets
 - Protect intellectual property rights of the OTOP products
3. Production promotion subcommittee
 - Foster the quality enhancement, the factor of production development, the improvement of production process, the promotion of local content usage.
4. Product standard and quality development subcommittee
 - Foster, facilitate, and provide guidance to promote product standard and quality enhancement by, among others, giving advices on production techniques and product upgrading methods
5. Regional and provincial subcommittee
 - Formulate policies and plans essential for the strengthening of local communities

- Promote networks among communities to improve producer’s competitiveness
- Enhance producer’s knowledge, skill, and expertise

The OTOP subcommittees have elaborated and implemented innovative policies to promote cottage industries. Two prominent measures for marketing OTOP products, OTOP brand making by a common logo and internet marketing, will be examined here.

3.2. Product championship and OTOP-branding strategy

The OTOP championship is an innovative product contest initiated by the OTOP National Administrative Committee and the Ministry of Interior. Community groups, SMEs and individual entrepreneurs must register as manufacturers of OTOP products to participate in this contest. Only one product can be submitted by each producer. The general criteria for the contest are: (i) the product is exportable and has a brand quality, (ii) production can be sustainable and with consistent quality, (iii) the product can provide customer satisfaction, and (iv) the product has an impressive background story. The grading of each product is made at various administrative levels according to established official procedures. First, product quality will be scored for up to 30 points at the local level. Second, the marketing capability measured by the number of obtained markets and the period of group activities will be scored for up to 30 points. Finally, up to 40 points will be scored at the national level by the use of the same criteria of quality and marketing. The five-star certificate is granted only to the product which obtains more than 90 points (see Table 1).

Table 1: OTOP grading system

5 stars	90 points and above	Good quality. Exportable
4 stars	80-89 points	Fairly good quality. Nationally recognized. Exportable upon improvement.
3 stars	70-79 points.	Average quality. Able to attain 4 stars upon improvement.
2 stars	50-69 points	Able to attain 3 stars. Periodically assessed.
1 star	below 50 points	Product is unable to attain 2 stars due to its many weaknesses and difficulty for development.

Source: Adopted from <http://www.pcthailandgigs.org>.

As a means to build a brand, the OTOP logo with stars (as shown in the pictures below) was introduced in 2003, two years before Japan enacted necessary regulations for the brand-based marketing by local groups.

Photo 1: Products with the OTOP 5-star logo



The certification is closely associated with financial and other benefits. Four-stars or five-stars awardees have a better chance of obtaining public subsidies or being sent overseas for training. The access to bank credits is also enhanced by higher certification. BAAC (Bank of Agriculture and Agricultural Cooperative) started in 2001 a new lending scheme for OTOP members⁶. Previously, bank loans were only offered in proportion to the value of collateral (lands). Funds were therefore directed to household heads who were mostly men. In 2001, the BAAC mitigated this policy. As a result, “in the year 2004, the total amount of credit provided reached 6,316.85 million baht, of which 87.59% of the beneficiaries were women” (Sutthawaree 2006).

3.3. Web-based marketing

Thai OTOP is also characterized by the positive use of ICT (information and communication technology) for sales strategies. The Thai government has promoted to develop and use websites for administrative and economic activities since early 2000. For the purpose of promoting OTOP, “Thai Tambon dot com” has been developed jointly by Ministry of Interior, Ministry of Commerce, Ministry of Agriculture and Cooperatives, Bangkok Metropolitan Authority, and Internet Thailand, Ltd. This website (<http://www.thaitambon.com/English/AboutTTB.htm>) is a non-profit venture which offers information on Tambon which is based on a large and comprehensive data base.

⁶ To this scheme was offered a concession loan by Japan Bank for International Cooperation.

The information covers location maps, features of local occupation groups, OTOP products, and links to thousands of export companies. It has introduced e-commerce for OTOP products. As of December 2006, it listed 23,470 OTOP products (63,650 items) from 7,405 Tambons. As shown in Table 2, nearly 44% of OTOP 5 star winners in 2006 have English websites.

The total number of web pages and B to B links to exporters are 102,900 and 2,587 respectively. Additional information on tourism, hotels and restaurants in each Tambon are also provided.

Table 2: Number of OTOP 5-Stars (top grade) products

	Products with English websites			All 5 Star products		
	2003	2004	2006	2003	2004	2006
Food	139	123	94	208	253	262
Drink	27	18	19	31	31	37
Textile Fashion	38	57	115	123	120	251
Ornaments	76	66		107	86	
Gifts & Arts	86	24	124	104	32	162
Herb	22	7	5	29	37	103
Total	388	295	357	602	559	815

Source: Adopted from Thai Tambon Dot Com (<http://www.thaitambon.com>)

3.4. Previous assessments of the OTOP movement in Thailand

JICA published an evaluation report of OTOP in 2003 in which it calculated economic impacts by using macro Input/Output tables. The report says that OTOP contributed about one percent to Thai GDP (JICA Thailand 2003). This analysis, however, is inaccurate because it included data for Bangkok in spite of the rural nature of the OTOP movement. Takanashi (2009), through recalculation based on data for provinces only, concluded that the OTOP contribution was a 2% increase of Regional GDP and 6% enhancement of employment opportunities in Northeast Thailand where OTOP is quite popular⁷.

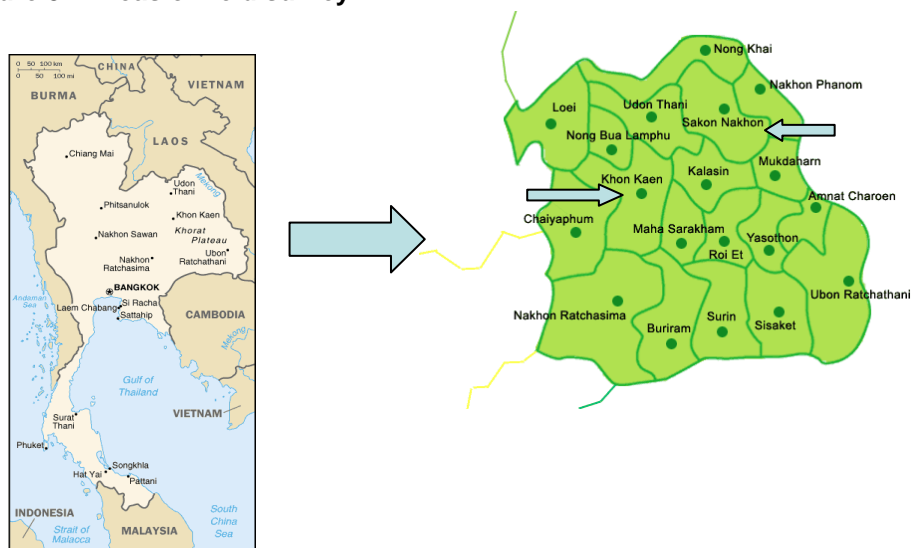
⁷ Boonmathya (2003) points out that the popularity of the OTOP movement reflects historical and cultural uniqueness of Northeast Thailand.

Izumi Takei (2007) and Kaewmanotham (2008) also recognize notable success of OTOP activities in the villages where they conducted field research. Takei collected 80 interview sheets in a basketry village of the Ang Thong province while Kaewmansothan conducted a similar survey in the Baan Tawai village of the Chiangmai province. Both authors, however, observed an expansion of income differentiation as a result of the OTOP activities between land owners and small peasants in Takei's village and between new comers and traditional villagers in Kaewmanotham's village.

3.5. Findings of our own field survey

Considering the scarceness of systematic assessment of OTOP, we decided to conduct a new survey of OTOP activities. The questionnaire was prepared on the basis of our field-research experience of July 2008 and the survey itself was conducted in November of the same year. We collected data from managers and members of OTOP groups in two provinces (Khon Kaen and Sakon Nakohn) of the Northeast region. We chose these provinces because they are among the poorest in Thailand and are known as home of cottage industries producing textile and wood items.

Figure 3 Areas of field survey



On the basis of the survey of OTOP managers, basic characteristics of the sample groups are summarized in Table 3. On average, producers' groups were established two years before the official launch of OTOP and four years before their OTOP

registration. The average number of the group members is around 30, among whom a great majority is female.

The prominence of women is even more notable among our individual samples. We collected 392 answers from 2,417 members of 89 OTOP groups. Among these members, 96% in Khon Kaen and 89% of Sakon Nakon are female as shown in Table 4. The average age is quite high, 50 years old. More than 90% of the household already own electric appliances like refrigerators and TV sets as well as motor cycles. Automobiles however are owned only by a quarter of the families. What should be especially noted is the importance of income from OTOP activities. In the Khon Kaen province, 28.6% of family income comes from OTOP. The corresponding figure for Sakon Nakon is 23.1%.

We asked the OTOP members self-evaluation of their activities. Their answers were highly positive. Table 5 shows the share of people who answered “definitely” to the question: “Do you think OTOP movement is effective for rural development?” The majority of OTOP members in the two provinces give high marks to OTOP but the support is much higher in Sakhon Nakhon which is more rural and poorer than Khon Kaen. In both provinces, families whose income is above average evaluate the OTOP slightly more positive than lower-income families. These figures suggest that poor regions attain greater gains from the OTOP movement while families which gain higher income from their OTOP participation strengthen their support to the scheme. We can conclude that Thai OTOP has contributed to improving household income of provincial families.

Table 3: Characteristics of the OTOP groups surveyed

	Number of Sample Groups	Time of Establishment	Time of OTOP registration	Number of Members per Group	Female Members
Khon Kaen	58	1999.46	2003.51	28.56	89.0%
Sakon Nakon	31	1998.52	2003.43	31.38	72.7%
Total	89	1999.13	2003.48	29.51	81.2%

Table 4: Characteristics and economic status of OTOP members

	Q1						Q1-8						Q2-1		
	Number of observations	Average age	Sex (Female)	Education P4 level (Primary school)	Family number	Total annual income (Thai Bhats)	Refrigerator	Television	Radio	Motor cycle	Car or truck	Personal Computer with internet.	OTOP income(%)	Non-Agricultural income	Agricultural income
Khon Kaen Province	251	50.03	96%	52%	4.47	121,648	94%	98%	81%	93%	24%	7%	28.63%	44.43%	28.14%
Sakon Nakhon	141	49.62	89%	52%	4.17	81,688	91%	99%	96%	91%	26%	2%	23.13%	38.13%	38.76%

Table 5: Share of people who evaluate the effectiveness of OTOP positively (%)

	Family Income		
	Above average	Below average	All
Khon Kaen	59.2	54.1	55.7
Sakhon Nakhon	77.4	73.9	75.2

3.6. The Thai model of OTOP

In the Japanese OVOP, the improvement of social life and community revitalisation were among primary goals. Thailand adopted the OVOP approach but with more emphasis on economic development. Instead of waiting for local initiatives, the central government intervened from the beginning to finance and brand OTOP products. Since OTOP has been so successful, many developing countries including some in Sub-Saharan Africa have adopted the Thai model. However, we should not be blind to the fact that OTOP shares with OVOP the emphasis on the use of local knowledge and resources to create globally acceptable products. The Thai government increasingly attempts at nurturing the spirit of self reliance among the local residents.

4. Challenges for OVOP in Malawi

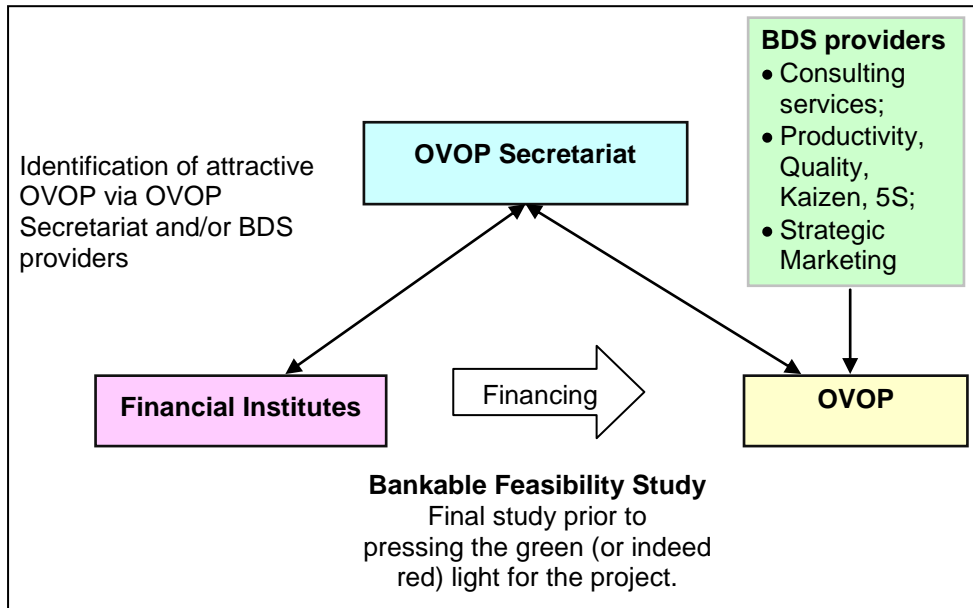
4.1. Basic Features of OVOP in Malawi

Malawi, with JICA's cooperation, introduced the OVOP approach in 2003. It was the first country to do so in Sub Sahara Africa. As in Thailand, the central government took initiative to start the OVOP movement and integrated it as a pillar program in the government development plan. It was expected to support economic empowerment of rural communities and contribute to attaining MDGs through helping to add value to local raw materials and promote import substitution wherever it can be achieved efficiently.

Different from the Thai experience, however, the primary role of the government in the Malawi OVOP movement is technical assistance for planning and managing. Its help to marketing is limited since it has not yet had a sufficient capability to support the branding strategy of the Thai style or to organize frequent fairs/exhibitions of OVOP products as in Japan. The Malawi government, however, established an antenna shop at Lilongwe where the sales reached MK420, 140 in August 2009 alone. The number of customers were 238: 134 Malawian male (56%), 46 Malawian female (19%), 17 Japanese male (6%), 23 Japanese female (10%), 9 other nationality male (4%), 9 other nationality female (4%).

The financial function of the Malawi OVOP is also limited. The financial resource available for the government was no more than 0.5 million dollars over the first five years, of which 80% were born by the Malawi government and the rest by JICA. A major part of OVOP financing is expected to come from quasi-governmental financial institutions. The approval of OVOP proposals by the government hopefully facilitates producer groups to get access to the institutions such as Micro Financing Association.

Table 4: The OVOP model of Malawi



The National OVOP Secretariat set up under the Ministry of Local Government and Rural Development manages the OVOP policy with the assistance of regional advisors, donor-funded NGOs, and JICA volunteers (Japan Overseas Cooperation Volunteers). It helps local producer groups to write an OVOP proposal for approval and offers trainings in accounting and other management skills. It helps producer groups to get access to financial resources by officially certifying their OVOP projects. The business model is shown in Table 6.

In 2007 alone, more than 280 OVOP proposals were filed, but, as of August 2008, the number of the projects approved by the Malawian OVOP Programme was 47. The limited number of on-going projects is probably due to unfavourable market conditions and financing difficulties⁸. The projects, however, cover broad productive activities ranging from dairy processing, fish processing, vegetable production/processing, rice milling, honey production, to mushroom production.

⁸ When JICA cooperated with the Malawi government to elaborate the OVOP scheme, microfinance services were not included. However, Yoshida (2005) found out in his field research that local people expected that OVOP would provide a “structure that makes low-interest loans available.” Yoshida’s observation, however, was made in the quite initial stage of the OVOP and needs additional research to be reconfirmed.

4.2. OVOP projects in Malawi

Table 5 below shows 47 OVOP projects officially approved by the National OVOP Secretariat (Project 4 and Project 34 are run by the same members). One of the notable features of the Malawi OVOP groups is their concentration on the production of processed agricultural goods. 41 out of 47 groups (or 87.2% of all) are in that activity. The equivalent figure for the Thai OTOP is 33.5% in 2007.

Another feature of Malawi OVOP groups is their size. The average number of group members is 275 in contrast with Thai's record of 30. But a close look at Table 5 will show that, in 29 out of 43 groups for which information is available, members count less than 200. The average number of members of these 29 groups is 31, similar to the Thai average. The groups with a membership beyond 500 and between 200 and 500 are nine and five respectively.

Table 6: Malawian OVOP groups and the number of their members

Table-4 Malawian OVOP group and the number of the members									
1	2	3	4	5	6	7	8	9	10
Chiyambi Chanzeru Dry Fish Group	Chalera Mushroom Group	Chikunkhoro Vegetable Project	Bvumbwe Milk Coop.	Mbadzi Dairy Club	Iponga Cotton Production & Ginning	Kunthembe Nsinjira Processing	BCA Carpentry Group	BCA Concrete Block Makers	Mwaiwathu Poultry Club
28	29	40	570	10	500	20	17	28	N.A.
11	12	13	14	15	16	17	18	19	20
Chinangwa Growing Club	Mwai Dairy Farmers	Chinwanwe Dairy Club	Musaononge Rice Club	Hara Water Users Association	Bvumbwe Vegetable Growers Association	Khumbo Oil Refinery	Mloza Bee Keeping	Bwanje Valley Rice Group	Mitundu Agro-Business Processing
10	6	5	10	631	350	2,100	70	2,063	488
21	22	23	24	25	26	27	28	29	30
Benga Rice Producers and Marketing Cooperative Mill	Kasitu Rice Milling Group	Nankhaka Cassava Group	Wowwe Water Users Association	Lufilya Rice Group	Kaporo Oil Palm Farmers Association	Limphasa Rice Scheme	Rumphi Cassava Producers and Marketing Association	Muona Rice Milling	Mmbuazi Rice Mill
20	136	30	1,500	1,046	100	586	225	11	10
31	32	33	34	35	36	37	38	39	40
Likangala Rice Mill	Zumulu WUA Rice Mill	Katengeza Cane Furniture Group	Village Factory (same as No.4)	Tikoleraneko Paper Works	Mkondezi Wine Making Project	Zipatso Orange Juice Group	Biriwiri Potato Chips Making	Tiwirizane Bee Keeping	Malabada Concrete Block Making
1,300	270	15	10	10	418	12	20	20	20
41	42	43	44	45	46	47	Source: ODI-JICA field survey in August 2008		
Talandila Women's Group	Kamwendo Cooking Oil	Gemstone Cutting Mating	Chitheche Cassava	Chilonbo Macadamia	Thyolo Tomato Processing	Mloza Oil Refinery			
15	50	16	20	128	N.A.	N.A.			

These figures indicate that Malawi OVOP groups include several large groups. Many of them are producers' cooperatives organized with the help of the the Cooperative Facility for Africa (CoopAfrica) before the introduction of the OVOP approach. The Malawian government approves a huge cooperative as an OVOP group, practice divergent from the Thai policy based on small community groups. The participation of Cooperatives in

OVOP in Malawi seemingly contributes to improving value-adding processes with relatively small financial inputs and benefiting a large number of participants.

The large size, on the other hand, may give negative impacts on leader-follower relations and women's participation in OVOP groups. The exact participation ratio of women is unknown for Malawi OVOP, but on-the-site observation shows that the ratio is not so high as in Thailand and Japan. Since, according to the Welfare Monitoring Survey (WMS) 2006 in Malawi, more females (83 percent of all female workforce) than males (68 percent of all) were engaged in agriculture, forestry, and fishery during the survey period, women's participation ratio must be higher if the OVOP activities were more closely community-based. In practice, men tend to dominate the management of large Cooperatives and consequently lower the participation rate of women.

4.3. Assessment of achievements of the Malawian OVOP activities

Since the OVOP movement started quite recently in Malawi, it is too early to make a definite impact assessment. Furthermore, it is highly complicated to assess OVOP achievements as their impacts on efficiency, productivity and community development depend on a wide range of factors in addition to OVOP-provided supports. These factors include (i) type of the product (demand for the product, role of product in livelihood, quality and seasonality, value chain aspects), (ii) location characteristics (level of average income, institutional capacity, infrastructure provision), (iii) organisation-specific characteristics (access to formal credit, exporting, ownership, skills, technology, sales, use of raw materials, employment), (iv) household-specific characteristics (gender, age, household headship, household size and number of active people, land tenure system, landholding size), and (v) non-OVOP support infrastructure (BDS, extension services, research, policy environment, other links).

For these reasons, we have opted not to try a quantitative analysis but to examine the degree of the programme's outreach, general improvement (or decline) of sales, some initial improvements observed in productivity, marketing and management, and sustainability of the projects.

Outreach

As already mentioned, the budget for the OVOP programme was a mere 0.5 million dollars over the first five years. This is a tiny amount compared with the nearly US\$15 million programme announced by the WB in 2008 with the aim to support private-sector development. Consequently, excessive expectation is not warranted with regard to the impact of the OVOP projects on the national economy. Still, OVOP has reached a large number of communities and households. Approximately 13,000 people have been benefited by the OVOP activities with the fund of merely 418,721 dollars as shown in Table 6.

Table 7: The OVOP projects in Malawi

Fiscal year	2003-04	2004-05	2005-06	2006-07	2007-08	Total
Number of Group	14	4	14	7	7	46
Number of Group Member / Beneficiary	1,273	3,151	7,785	505	229	12,943
Funded Amount (1000 MK)(US\$=MK140)	9,891 (70,650)	1,176 (8,400)	14,259 (101,850)	14,993 (107,093)	18,302 (130,729)	58,621 (418,721)

Sales

Table 8 below shows the amount of sales and loan of ten OVOP groups we collected information on in the field in 2008. This little amount of information became available only recently thanks to excellent book-keeping practice in several OVOP groups that received training and assistance from JICA volunteers.

Table 8: Sales and loans per member in several OVOP projects

	Sales per member (MKw)		Growth in sales (%)	OVOP loan (MKw)	Number of members	Loan per member
	Start 2007	End 2008				
Khumbo oil refinery	1100.3	3833.3	248.4%	606,000	12	50,500
Tikoleraneko Post Cards	1771.6	3767.8	112.7%		9	
Kunthembwe nuts	1000	1713.1	71.3%	200,000	12	16,667
Hara rice	182.1	304.1	67.0%	500,000	631	792
BCA Carpentry	1250	1800	44.0%	300,000	6	50,000
RUCPMA Cassava	5082.3	6296.4	23.9%	60,000	110	546
Bvumbwe vegetable	24.2	29.7	22.9%	30,000	389	77
Mapanga honey	3050	3550	16.4%	40,000	100	400
Bwanje rice	202.7	164.5	-18.9%	1,576,031	2067	763
Mitundu oil	50	38.4	-23.1%	300,000	480	625

Out of ten OVOP groups listed in Table 7, eight experienced increases in sales per member between 2007 and 2008 (though more accurate figures could be calculated by adjusting for inflation which was less than 20% over 2007-2008). Furthermore, except for the Bwanje rice project and Mitundu oil project, those sites which received larger OVOP loans experienced faster increases in sales.

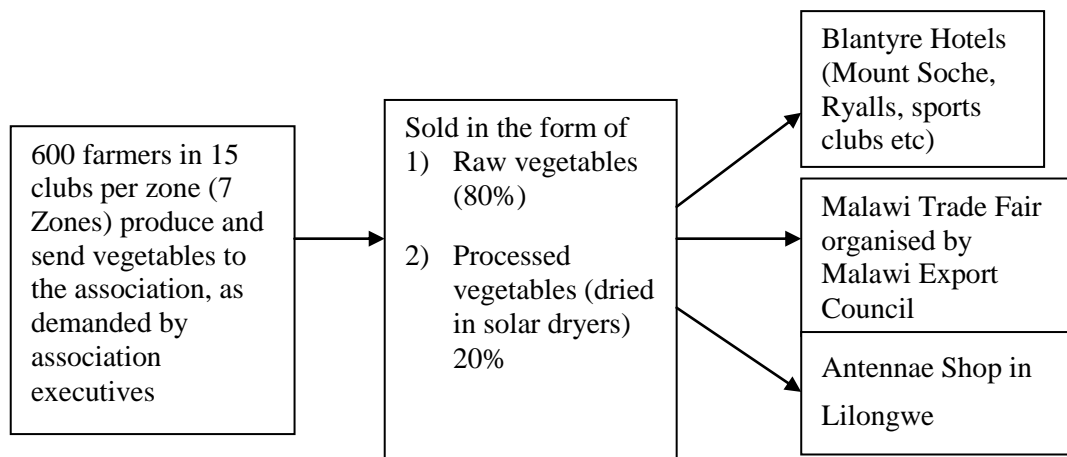
One concrete example is the Kunthembwe Nsinjiro group, whose 12 members obtain 50% of their income from the processing of groundnuts. Judging from the doubling of the peanuts purchase from outside of the group (from 1250kg in 2003/4 to 2550kg in 2008), we can infer that the turnover of the group has increased accordingly. The OVOP programme provided working capital and helped improve labelling and packaging of their products.

Productivity

Although still anecdotal, there are several cases in which clear signs of productivity improvements are observed. One such example is the Bvumbwe Vegetable Growers' Association. This association is one of the OVOP groups which started their activities on the basis of existing cooperatives. It received training in management/leadership under the OVOP programme. It also obtained credits to buy solar dryers to produce processed

vegetables. The dryers reduced the process time from one week to two days under a good weather, which has led to a large cost saving for dried vegetables.

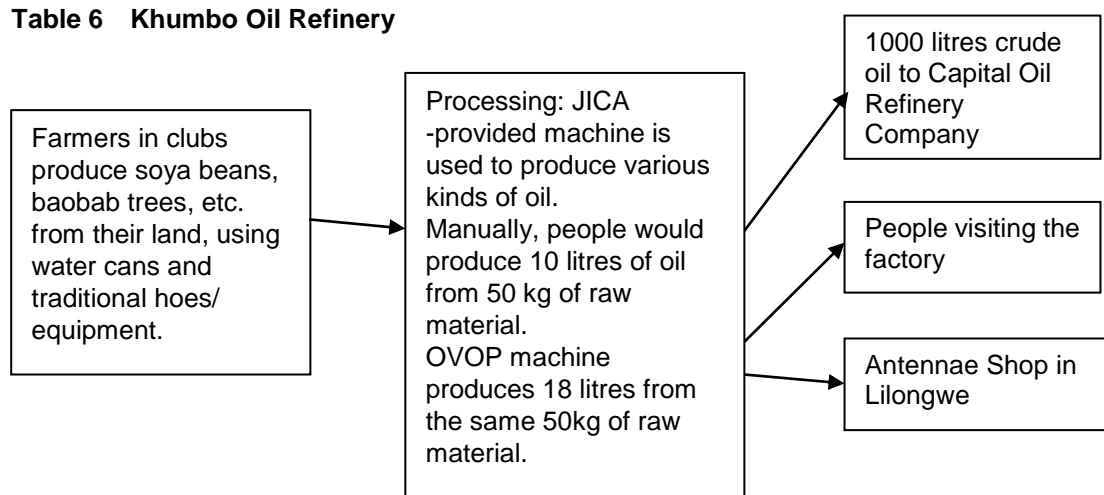
Table 5: Bvumbwe Vegetable Growers' Association



Source: Interviews August 2008.

Another example is the Khumbo oil refinery group whose members used to produce raw materials (vegetables) to extract oil. Now, the refinery uses JICA-provided simple machinery to produce various kinds of oil. The introduction of the machinery improved the productivity from 10 litres to 18 litres per 50 kg of raw materials.

Table 6 Khumbo Oil Refinery

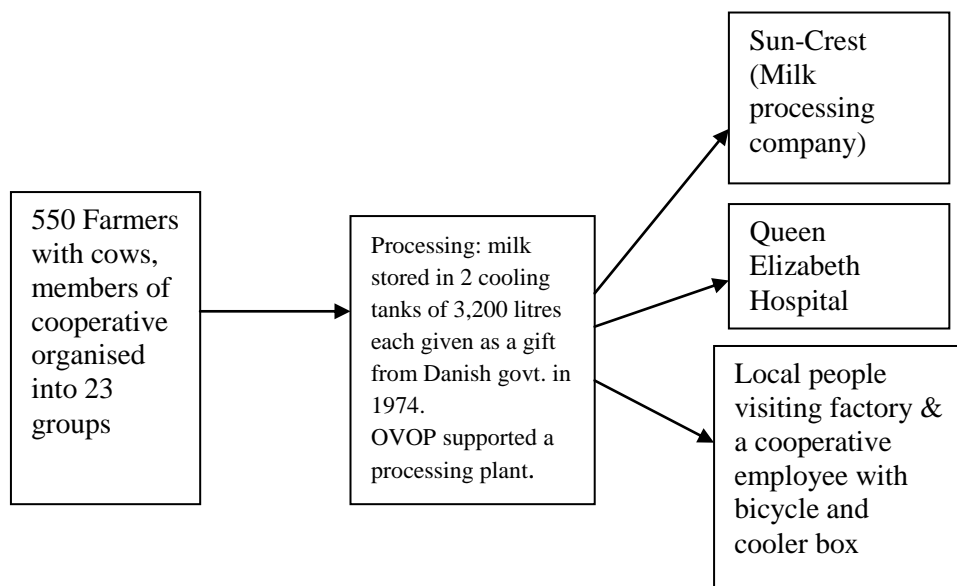


Source: Interviews August 2008.

Value chain effects

Compared with the two previous cases where cost reduction was achieved on the existing products, the case of the Bvumbwe Milk Cooperative demonstrates that the introduction of processing machinery contributed to changing the group's location in the value chain of milk. This cooperative used to collect and sell raw milk to a Sun-Crest plant in Blantyre where milk is processed for marketing. By installing a milk-processing plant with OVOP assistance, the cooperative now processes, packages, and sells locally 5% of all milk collected. The price of processed milk is 60% higher than raw milk. This case demonstrates the possibility of reconfiguring value chains through a simple OVOP programme although the amount of processing is still limited and the scheme may be compromising market efficiency (in the milk industry as a whole) in the short run.⁹

Table 7: Bvumbwe Milk Cooperative



Source: Interviews August 2008

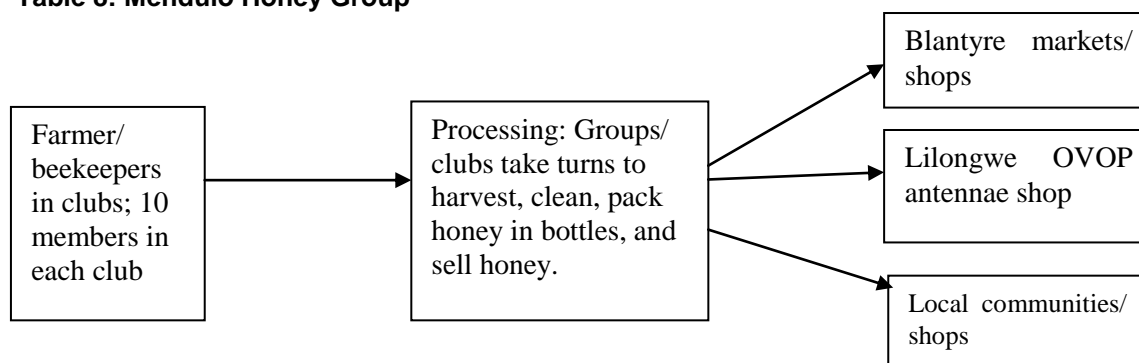
⁹ The national milk market is highly competitive since large-scale South African companies export cheaper and higher-quality milk products to Malawi.

Marketing

Although the marketing component is still weak in the Malawian OVOP movement, the Mendulo Bee Keeping project offers a promising example which has benefited from the emphasis on marketing.

This group started bee keeping business in 2003 with GTZ's technical assistance and obtained OVOP approval in 2006. Initially, 20 beehives were provided by GTZ but increased to 450 by 2008. They are taken care of by 102 beekeepers belonging to 10 clubs. Honey today provides around 60% of members' household income. The group has the best use of the sole OVOP antenna shop of Lilongwe by selling 80% of its products there. It also pursues a branding strategy. The product quality certification by the Malawi Bureau of Standards (MBS) is expected to contribute to sales enhancement once new machinery is installed in their plant¹⁰. However, the certification process is complex and costly.

Table 8: Mendulo Honey Group



Source: Interviews August 2008

Management

Several OVOP groups have received training in various management skills and consequently improved their book-keeping capacity to a great extent. The best example is the Kunthembe Nsinjiro group mentioned above. It never made any book-keeping before. Now, its financial management is excellent in spite of its small size.

¹⁰ Another example of quality assurance is offered by the Bwanje valley rice co-operative, which benefited from OVOP labelling and marketing schemes (such as package-size diversification)

Sustainability

One big concern in the Malawian OVOP movement is its sustainability. Of 47 approved OVOP projects, only 16 are active as of August 2008. Key questions to be examined and answered are whether processing machineries are maintained properly, whether group organisations established with OVOP assistance are still in operation, and whether book-keeping and other management trainings have had sustainable effects.

4.4. The Malawian OVOP in comparison with Japanese and Thai experiences

The basic philosophy of the OVOP movement, wherever it is promoted, is to mobilize local human and material resources for value-added activities to create marketable goods/services. All three cases analyzed above share this spirit. However, the purpose of the movement diverges from one country to another in reflection of the different stage of economic development at the moment of the OVOP initiation. For the Oita OVOP, the purpose was to revitalize local communities which were being left out from the development process of the nation. The Thai OTOP is much more inclined to the economic purpose of national restructuring (see Table 9). The Malawi OVOP is somewhere between social and economic objectives. It aims at both improvement of social conditions and economic development.

Table 9: Comparative features of three OVOP movements

	Oita OVOP	Thai OTOP	Malawian OVOP
Basic objective	Community revitalisation	Local economic development as a part of national economic restructuring	Attainment of MDGs and local economic development
Initiator	Local governments	Central government (OTOP National Administrative Committee)	Central government (National OVOP Secretariat)
Actors other than the initiator and OVOP groups	Cooperatives; Central government agencies	Central government agencies; Local governments; Universities	Local governments; donor agencies; NGOs
Qualification for participation	None	OTOP Registration at CDD, Ministry of Interior	Proposal-based
Technical assistance	Product development	Product development; training in quality control, management, labeling, packaging, and marketing	Training in OVOP concept, management including basic book keeping and packaging
Financing	Local banks; cooperatives	BAAC, Miyazawa fund	Small government and JICA funded equipment; quasi-government financial institute
Marketing	Top sales promotion; trade fairs; exhibition; product competition	OTOP shops; product championship and qualification; web-based marketing; export promotion; Michinoeki	Antenna shop; some qualification

The initiators of the movement were also different among the three cases. In Oita, they were prefectural and municipal governments while the central government played the key role in Thailand and Malawi. This difference is nothing enigmatic. The Oita movement was an endogenous one without any precedent. For Thailand and Malawi, in

contrast, there was the model to be adopted by conscious efforts which only the central government had capacity to make.

Qualification to participate in the activities is also different among the three cases. In Japan, there is none. They are open to local residents' initiatives. In contrast, any group which hopes to do business under the name of OTOP in Thailand is required to register with the local OTOP subcommittee. In Malawi, producers are required to present project proposal and to be accepted by the National OVOP Secretariat to get access to technical and financial assistance.

The three OVOPs share certain common characteristics in technical assistance they offer to the participants. All three are active in helping producer groups to improve their management capability. Japan and Thailand share OVOP assistance to help develop or improve products and production process. In this regard, research institutes belonging to local governments played an important role in Japan while, in Thailand, local research institutes such as Thai Sericulture Institutes and universities helped OTOP groups.

As for the financing, the Thai OTOP is most active in connecting its programmes with BAAC credits in addition to low interest loans from government saving banks and direct government subsidies. BAAC started a new credit scheme (group joint liability credit) when the OTOP was officially launched.¹¹ The number of the groups benefited from BAAC credits exceeded 280,000 groups as of March 2003.

OVOP groups in Japan mainly rely on private credits offered by local banks and cooperatives. In Malawi, a small amount of credits and subsidies is provided by the government and by donor agencies. More substantial financing is expected to come in the future from Malawi Rural Development Fund (MARDEF).

Marketing assistance is an important area of OVOP activities. In Japan, prefectural governors serve as promoters of local products. The local governments sponsor trade fairs, exhibitions, and antenna shops. They also organize championship events and offer prizes to winners. The championship is national in Thailand. Winners of the

¹¹ BAAC later introduced the Asset Capitalization Project, which extended collateral conditions to cover machines, rights to use lands, and lease holds.

championship are given opportunity to go abroad for training tours. In addition, the brand creation is most notable in Thailand. The OTOP logo with qualification marks has been created by the government and the five-star goods are promoted for export.

The Malawi government has not yet created an OVOP logo with OVOP-specific qualification. Neither has it promoted the export of OVOP products. The deployment of antenna shops is still limited in Malawi.

As a whole, the OVOP in Malawi is still in the embryonic stage. Although attempts have been made for the promotion of value-added activities which make use of local resources, their sustainability is not necessarily high. It is to be seen if an increase of technical, financial and marketing assistance can improve the performance of the OVOP projects in the near future.

5. Challenges for Sub-Sahara Africa

Many African countries in addition to Malawi have expressed a strong interest in the OVOP programme. On the occasion of the TICAD IV meeting held in Yokohama, Japan in May 2008, as many as 40 African nations made a formal request for Japanese assistance for implementations of the OVOP programme and JICA has pledged to cooperate with at least twelve of these countries. In this section, we want to examine challenges the African countries face in its implementation of the OVOP program and to make policy suggestions to tackle the challenges.

5.1. Marketing of OVOP products/services

The success of the Japanese OVOP has been based on close urban-rural economic links through consumers and tourists. Thai OTOP producers also benefit from their links with urban consumers. In the Thai case, however, some of the OTOP products have succeeded to make inroads into external markets (including U.S., Europe and Japan). In the Malawian case, even the domestic rural-urban links are limited. Table 10 shows that the constraint most frequently mentioned by an OVOP group in Malawi was “access to market.”

Table 10: Constraints at Bvumbwe vegetable production group

Reason	Frequency	Relative percentages
Access to market	32	80.0
Access to credit	28	70.0
Value adding technology	24	60.0
Training	22	55.0
Access to machinery	20	50.0
Storage facilities	15	37.5
Access to extension	13	32.5
Processing facilities	12	30.0
Quality control	8	20.0

Source: survey data (April, 2006)

One of the reasons for this limitation, which is shared by many other African countries, is inadequate transport infrastructure that obstructs OVOP producers' successful participation in national and global value chains. A value chain includes the full range of activities required to bring a product or service from conception, through the intermediary phases of production (transformation and producer services inputs), to delivery to final consumers and ultimate disposal after use (Gereffi, 1999; Kaplinsky, 2000). Global value chains involve trade through rapidly growing networks of firms across borders. Examples include buyer-driven chains for garments, footwear, and fresh fruits/vegetables, and supplier-driven chains for automobiles. In order to participate in these chains, OVOP producers need to be connected with national urban markets and/or international markets.

According to Brouckhoff (2000), the next quarter century will see urban population growth of an unprecedented scale. Of the world's population, 48% lived in urban areas in 2003, but this is expected to increase to 61% by 2030. Economic activities in urban areas account for as much as 80 percent of GDP in the industrialized countries. They are about 50 percent in less developed countries and will certainly expand rapidly. A new question is then how rural areas and urban areas can connect each other in an increasingly urbanised world. As World Development Report 2009 argues, spatial connectivity is the key to rural development. We need to recall that much of the success of Thai OTOP is due to the highly developed road networks and the availability of pick-up trucks for villagers. Japanese OVOPs also benefit from the development of highway networks and motorisation. For OVOP programmes to succeed in Sub Sahara Africa, nationwide delivery services and transportation networks need to be expanded and improved quickly.

As for the external marketing, ICT may serve as a competitive tool for African countries. African producers can get access to internet and mobile phones easily regardless of the degree of their national economic development. In terms of the language literacy, they have an advantage vis-à-vis Thais and Japanese as they are literate in the international languages such as English and French.

However, in order to take advantage of the internet-mediated marketing, African producers need to improve the quality of their products/services and establish their "brands." Here we need to recall that one of the basic principles of the OVOP movement is the tapping and mobilisation of local knowledge and resources. Introducing

processing machines or beautiful packages do not automatically lead to more value-added products/services. Local people have to tap every potential source of new values in their own community. So far, agricultural and mineral resources are used in the OVOP activities. In the future, the richness of nature and cultures in Africa should be tapped more seriously by communities, governments and external aid actors. The eco-tourism based on forest conservation, clean water preservation, and bio-diversities is a promising area.

In order to promote local entrepreneurship, the government may organize product championship contests and publicly grant special “awards” to innovative local products/services. The Thai and Japanese experiences demonstrate that this kind of contest and awarding with publicity is an effective means to heighten people’s self-confidence and motivation with little cost. The organisation of site-visit tours is another means for the government to promote OVOP activities through helping people to learn from success stories and even to obtain certain OJT.

The logo labelling is another promising strategy for branding African products. We saw above how the Thai OTOP has used the logo successfully. In Sub Sahara Africa, all-Africa common logo, in addition to national logos, may serve the African countries to market their OVOP products jointly in the external markets. To realize this common logo strategy, however, African governments need to join forces to organize an Africa-wide OVOP product championship.

5.2. International Cooperation for Financing and Management

Besides the infrastructure construction, there are many areas in which international cooperation is indispensable for the OVOP programmes to take off in Sub Sahara Africa.

First of all, as we saw in Malawi’s OVOP experiences and in Table 9, the financial support system for rural development in general and for OVOP activities in particular is very weak in Africa. Because of the lack of financing, many OVOP proposals have not materialized there. Skilled personnel for management are also in a sharp shortage.

Fortunately, many donors recognize the importance of rural development in Africa and have started OVOP-type cooperation. For example, in 2009, the Korean government

pledged to launch a “Korean Millennium Village” project in Tanzania and Uganda¹² by which it intends to introduce a community-based development approach similar to the “New Community Movement (Saemaul Undong).” This movement helped lift South Korean villages out of poverty during the 1970s and 1980s.

United Nations Industrial Development Organisation (UNIDO) has also started “One Village-Industrial Clusters (OVIC)” project for Uganda and Ethiopia with funds from Japan and India¹³. The project is based on an innovative approach that combines UNIDO’s Cluster and Business Linkages (CBL) methodology with that of Japan’s OVOP to foster micro, small and medium enterprises. Thailand International Cooperation Agency (TICA) started OTOP training courses in 2009 inviting African participants from Uganda, Tanzania, Malawi, and Madagascar. In addition, the donors such as ILO, GTZ, and the Indian government have shown strong interest in assisting the OVOP programmes.

Donors have also supported programmes such as decentralisation and SME (small and medium-sized enterprises) promotion that can help the development of OVOP activities. The decentralisation of administration, if it is implemented properly, is highly congruent with OVOP as the latter put special emphasis on local ownership. OVOP programmes can benefit from SME promotion measures such as training for food processing, provision of equipment, and quality control.

In order to make an effective and efficient use of resources provided by JICA and all other donors for old and new projects/programs, however, certain mechanism of coordination needs to be established in each country.

5.3. National Coordination for OVOP assistance

In addition to international coordination, domestic coordination is crucial for mobilizing limited resources most effectively for OVOP programmes. First of all, coordination among government agencies and programmes is important since OVOP in Africa is government-led. As mentioned above, there already exist many similar programmes such as promotion of Cooperatives or SMEs. Without coordination among government

¹² Budget: US\$ 8 million/5 years

¹³ Budget: US\$ 1 million/2 years

agencies in charge of various related programmes, it is difficult for local people to obtain comprehensive information on available resources and services in their planning and implementation of OVOP activities. African countries could learn from the successful case of the Thai OTOP in this regard.

Collaboration and coordination should also be sought from local research institutions including universities which can contribute to the training of OVOP producers as shown by the example of Bunda College of Malawi. Private companies and civil society organisations should also be invited to form a part of the OVOP network. Since they usually keep close collaborative relations with foreign companies or international NGOs, the involvement of private actors will serve to integrate the modalities like CSR and Fair Trade into the OVOP activities.

5.4. Social aspects of OVOP

Different from the Japanese OVOP in which participants' motives are mainly social (enrichment of community life) and/or individualistic (attainment of specialized skills and knowledge), the primary motive of African OVOP producers is economic improvement of their households. Still, social purposes of the OVOP movement should not be forgotten. Here the issue of gender will be discussed.

In all our three country cases, we observed a significant participation of women in OVOP programmes. According to our survey data, nearly 90% of OTOP members were women in Northeast Thailand. In Malawi as well as in Japan, we observed a large number of female members in many OVOP groups. However, once eyes turn to the composition of OVOP leadership, we face a different picture in Malawi. Out of 16 active OVOP groups, only three (Kunthembwe Nsinjiro, Mendulo Honey Group and Khumbo Oil Refinery) are led by women. This reflects the patriarchal character of Sub-Saharan African societies including Malawian one, where men in most cases play the gatekeeper's role for new initiatives, especially economic ones. Although the OVOP movement has contributed to job creation for women in all three countries, a more nuanced analysis is required to examine its impacts on the nature of women's empowerment.

In Malawi, the case study on the Bvumbwe vegetable growing group by Chidumu (2007) shows that the proportion of female-headed households is smaller in the OVOP

category than among the non-OVOP samples (Chidumu 2007). The study further shows a significant difference between OVOP and non-OVOP farmers in terms of their marital status. There is a large numbers of widowed and divorcees in the non-OVOP category as opposed to the OVOP category. This is an indication that vulnerable people like the widowed and divorcees are not actively participating in OVOP groups.

The less active participation of female-headed households in OVOP is due to land, credit, labor and other constrains faced by them. Women-headed households are more likely to experience labor bottlenecks, especially during the peak planting and weeding seasons, which inevitably lead to lower returns. They are also cash-and credit-constrained. All these constraints allow them to produce little surplus to divert to additional productive and commercial activities. They are also less likely to involve themselves in clubs and associations such as OVOP. These conditions cannot but lower women's ability to exploit government incentives for OVOP programmes.

These 'beyond numbers' analyses are useful to see how OVOP addresses women's vulnerability problem. In considering the OVOP movement's ability to empower women, it is important to clearly distinguish different kinds of empowerment. If the focus is on the household level, what should be examined are women's ability to have controls over household income, their relative contribution to family livelihood, and their access to and control of family resources (Malhotra, Schuler, and Boender 2002). If the focus is on the community level, factors to be analysed will be women's access to employment, their ownership of assets and land, and their access to credit and markets. In any event, the OVOP programme no doubt needs to explore better ways of achieving greater inclusion of women.¹⁴

¹⁴ In Japan and Thailand, traditional organizations such as cooperatives have not been open to women as much as OVOP groups. Most of the managerial posts are historically occupied by men.

6. Concluding remarks

The motivation of this research lies in the fact that many exogenous, top-down approaches toward African rural development have not been sustainable. The OVOP movement is expected to correct this deficiency by encouraging the mobilisation of local human, material, and cultural resources to create value added products and services for domestic and external markets. However, from our comparative studies of Japan, Thailand, and Malawi, we found out that the latter two countries are different from Japan, birthplace of the OVOP movement, with respect to the strong initiative taken by the central government. The OVOP in Thailand, Malawi, and other developing countries have not originated from people's initiative but from government leadership.

They are also different from the Japanese prototype in their emphasis on economic, rather than social, purposes. If the level of economic development at the moment of OVOP introduction is considered, their expectation of using OVOP as a means of economic development is quite understandable. Social purposes such as community development and gender equality, however, should not be forgotten.

As for the balance between the government role and local ownership, the Thai government already started to make a conscious effort to shift the responsibility of upgrading OTOP activities to local communities and local governments. Malawi OVOP groups are expected to be more proactive as their leaders improve their capability through trainings.

The OVOP programmes in Sub Sahara Africa are so new that it is difficult to evaluate their impacts. However, from our comparative research, we can conclude that, in order to make OVOP take off in Africa, it will need prompt actions in several fronts. First, spatial connectivity needs to be improved so that OVOP producers can participate in national and global value chains in which rapidly growing cities play a crucial role. The brand-making and e-commerce for direct overseas marketing are also promising areas of activity as demonstrated by the Thai success. However, African countries will need further foreign cooperation, not only in the marketing but also in financing and management training. In order to use limited resources effectively and efficiently to assist local people, donors that have been implementing programmes congruent with OVOP and those who are launching new OVOP-type programmes need to coordinate

their activities closely. Similar collaboration and coordination are also required among domestic public and private players.

Finally, we want to propose the introduction of social indicators in addition to economic indicators for OVOP assessment. Effectiveness of the OVOP movement cannot be measured merely by profit and sales volume. It should be measured also by indicators such as women's empowerment, capacity improvement of community leaders, people's values and attitude, and the effectiveness of coordination among government offices, communities, and private/civil actors.

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