

# One District One Product Business Model: A Review of Different Countries

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## ABSTRACT

India's economy is driven by its small and medium-sized businesses. Brave small-scale business owners in rural areas, where giant corporations are scarce, design their own lives by adding value to regionally distinctive goods. They must overcome administrative challenges in marketing, product development and quality control, capital constraints and access to credit, a lack of training in capacity growth, and restricted access to major markets. The "One Village One Product (OVOP)" idea has been extensively embraced by many nations, particularly developing ones, more than three decades after its initial debut in Japan. This is due to its capacity to stop local deterioration and decline. On January 24, 2018, the Uttar Pradesh government launched the "One District One Product (ODOP)" with the aim of promoting one product from each of its districts. Soon, it started pan-India.

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## INTRODUCTION

Developing countries' economic growth is becoming increasingly dependent on small and medium-sized companies. They promote poverty reduction, foster the growth of income-generating businesses, and facilitate job creation. Small and medium-sized enterprises (SMEs) encounter both internal and external obstacles that impede their expansion. They also lack financial help and technical competence to build their organization. The successful One Village One Product (OVOP) Movement in Oita Prefecture, Japan, inspired other countries to boost rural entrepreneurs, income, and small companies. The "One District One Product (ODOP)" project in India revives traditional arts and promotes local specialist items internationally to generate employment and boost India's economy.

"Wealth creation" encourages rural SMEs to obtain financial services and improve their business settings. Given the nation's unique indigenous commodities and SMEs' vital role in job creation, income generation, and poverty reduction, novel methods to boost economic activity in this area are needed. Change and beneficial impacts may improve living standards in developing countries and lead to more sustainable futures.

Traditional embroidery and handicrafts are unique

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to India and are facing threats to survival due to technological advancement and globalization. Younger generations want more for their money thus, machine-made items are in demand. Traditional art is losing popularity among youth. This research promotes the dying skill of local needlework and instills a passion for handmade embroidery in youngsters. We want to preserve our needlework and reduce modernization's detrimental effects. Our traditional craftspeople can't fulfill the market's growing demand for ready-made, easy-to-get items. It takes time to create a unique traditional art item. This requires a lot of work, which is expensive for most people. Machines make similar,

cheaper products. ODOP is seen as an effective means to support and revive such businesses and promote such products that are gradually being forgotten.

### Origin of the Concept of ODOP

The concept of 'One District One Product' finds its origin in Japan, where 'One Village One Product' OVOP was introduced. Japan began to transition its economy from agricultural to industry in 1960. Japan's economy has undergone structural transformation as a result of this strategy, especially in rural areas. The economy of rural regions lagged behind that of metropolitan areas; as urbanization rates rose, the competitiveness of rural products was harmed and rural incomes declined. In response to those problems, the people began to consider ways to advance their communities. Rural residents began to use their potential natural resources to boost their economies in the 1970s. The OVOP movement is one of Japan's local economic revitalization initiatives that emphasizes social values and gives people strong incentives to be more self-assured and persistent despite their financial circumstances, all while encouraging the villagers to remain in their town. OVOP has seen significant success in Japan. Maintaining social values among citizens and continuously enhancing human resource capabilities are the two primary factors contributing to the OVOP movement's success in Japan. It inhibits society from acting in an individualist manner by placing a greater emphasis on social than economic principles. Regular workshops and seminars on the progress of their village were also held. While raising rural residents' incomes is a benefit, the OVOP movement prioritizes making rural residents happier by increasing their level of life satisfaction. The OVOP movement measures happiness by evaluating things like the ability to finance non-food expenses, education, and health care. However, OVOP in Japan also has to deal with several difficulties, such as a language barrier. There were many international tourists to Japan, but some local communities weren't prepared to welcome them since they didn't know the language. Several initiatives, including the construction of schools and libraries and the implementation of student exchange programs, were implemented to increase the ability of the local populations to speak other languages. Disagreements between society and leaders throughout the development of the tourist communities presented another difficulty. *Source: (Improvement of the rural living condition through One Village One Product (OVOP) Movement)*

The concept was soon seen as an excellent way

of promoting products linked to local skills. It has not only brought these products to global forums but has also provided its producers with a marketplace where they can sell their products. ODOP has given identity to products from various places and has immensely contributed to socio-economic growth and development.

Several countries have adopted the concept of OVOP from Japan to use it to their advantage. A few of these are as under:

#### India

Uttar Pradesh was the first state to launch ODOP in India. The government of Uttar Pradesh state government introduced the "One District One Product" plan on January 24, 2018, and the Central government quickly embraced it and launched it for the entire nation [5]. "The Directorate General of Foreign Trade (DGFT)" of the Department of Commerce coordinates this with "Districts as Export Hubs". "The Directorate for Promotion of Industry and Internal Trade" matters. Chowdhary, A., Milan, R. (2023). Gradually about 1,102 products from 761 districts nationwide were brought under the ODOP program of the country.

#### Brunei Darussalam

Adapted OVOP in 1993 in the name of Satu Kampung Satu Produk (1K1P). OVOP is a decade-long effort that promotes economic ventures and local companies in villages. Since 2009, the idea has advanced significantly, encouraging towns to manufacture their own products. The 1K1P project began at Temburong. 'Majlis Perundingan Mukim dan Kampung' must start the 1K1P project in one of three ways:

- By producing the product themselves.
- By gathering and packaging manufacturer items before marketing; or
- Forming a joint venture with any capitalist. *Source: (Improvement of the rural living condition through One Village One Product (OVOP) Movement)*

#### Cambodia

Cambodia adopted the OVOP concept in 2006 to boost rural economies. *Source: (Improvement of the rural living condition through One Village One Product (OVOP) Movement)*

#### Indonesia

Adopted OVOP 2007. Indonesia's OVOP project has had several accomplishments, including strong central, local, and other stakeholder commitment, big domestic and international market share, rich raw materials, huge

people resources, information technology expansion, and potential economic growth. *Source: (Improvement of the rural living condition through OVOP Movement).*

### Lao PDR

Japan has helped Laos establish One District One Product (ODOP). Since 2003, ODOP has been an important community development program in Laos "Ministry of Industry and Commerce Foreign Trade Policy Department, 2011". "ODOP" is implemented by the "Ministry of Industry and Commerce" of Lao PDR and JICA. *Source: (Improvement of the rural living condition through One Village One Product (OVOP) Movement)*

### Malaysia

The Malaysian OVOP movement is called Satu Daerah Satu Industri (SDSI) or "One District One Industry". The "OVOP" movement was originally implemented in 1992 as "Satu Kampung Satu Produk (SKSP)". The program became "Satu Daerah Satu Industri" in 2003. *Source: (Improvement of the rural living condition through OVOP Movement)*

### Myanmar

Small and medium firms began in Myanmar in the early 1960s when the government allowed private sector participation. "OVOP" development in Myanmar is top-down. Before 2000, Myanmar had comparable community development programs like OVOP. *Source: (Improvement of the rural living condition through OVOP Movement)*

### Philippines

The Philippines' Medium Term Philippines Development Plan outlines a strategy to reduce poverty via job development and business (Rana, 2008). The Medium Term Philippines Development Plan established micro-enterprises and offered finance, technology, and marketing assistance via the "One Town One Product (OTOP)" program in 2004. *Source: (Improvement of the rural living condition through OVOP Movement)*

### Vietnam

Vietnam introduced "OVOP" as a development tool in 2006. It relates to rural trades development Decree 66/2006. Early "OVOP" development in Vietnam focused on handicraft villages. From 2006-2015, the "Ministry of Agriculture and Rural Development" designed the Development of "One Village-One Craft (OVOC)" Programme." *Source: (Improvement of the rural living condition through OVOP Movement)*

### China

Started "One Hamlet, One Product Movement (Shanghai)", "One Town, One Product Movement (Shanghai)", "One Region, One Vista Movement (Shanghai)", "One Village, One Treasure Movement (Wuhan)", "One Community, One Product Movement (Jiangsu Province)", "One Product Movement (Jiangsu Province)", "One Village, One Product Movement" in Shaanxi Province, Jianxi Province in 1980. Hiramatsu, M. (2008), Hoang Thanh, et.al (2018).

### Thailand

Thai Prime Minister Dr. Thaksin Shinawatra is the most fervent 'One Village, One Product' advocate. His studies in Oita led him to establish the initiative as a national strategy, 'One Tambon One Product (OTOP).' Each of Thailand's 76 provinces is establishing a specialty. The Thai government grades local specialties with five stars. Three-star items are sold nationally, five-star products may be exported, and one-star products can only be sold locally. Hiramatsu, M. (2008).

### Korea

The "One Village, One Product" Movement arrived in Korea after Korea recommended connecting the Saemaul movement with the Oita "One Village, One Product" Movement in 1990. Hiramatsu, M. (2008).

### Laos

Started "Neg Baag, Neg Shildeg Buteegdekhuun" in 2005. *Source:(Food and Agriculture Organisation of the United Nations).*

### Pakistan

Started "Aik Hunar Aik Nagar" in 2007 *Source:(Food and Agriculture Organisation of the United Nations).*

### Other Countries

The "One Village, One Product" Movement has spread to Mongolia and other Asian nations. Laos Prime Minister Boun Nhang Vorachith endorsed the movement. Hun Sen, Cambodia's post-civil war prime minister, was impressed by the initiative and visited Oita for inspection. Former Malaysian Prime Minister Dr. Mahathir pushed the movement in Kedha, his hometown. Malaysians are calling the movement "Satu Daerah Satu Industri (SDSI; One District One Industry)". Malacca hosted the 'SDSI Showcase' in April 2006.

Under Tom Bradley, Los Angeles had a "One Village, One Product Day" on which specialty items were offered at the "Oita One Village, One Product Fair" in Little Tokyo in 1988. Similar regional rejuvenation projects were



proposed in France, Britain, and Russia. In Indonesia, especially West Sumatra, this trend evolved. The Sumatra governor visited Oita and inaugurated a project in Padang on West Sumatra's shore. Padang technical trainees studied at Oita. The East Java administration launched a "Back to Village" campaign to relocate people from cities to rural regions. Besides promoting rural industry and agriculture, the government also built rural factories to encourage permanent settlement. Hiramatsu, M. (2008).

## CONCLUSION

Although the OVOP movement was successful in Japan, it seems that other countries and regions where the model has been supported have not experienced as much success as was hoped. This may be the result of differences in the methodologies used for development, national origins, stakeholder participation, and conceptual understanding. While the One District Two Product program in the state of Uttarakhand contains two items, the ODOP effort in India has been continuing for more than five years without any expansion to include new products or to preserve ODOP successes in selected districts. The rise of India's micro- and small-scale enterprises as significant contributors to the country's overall economic development. They are the primary driving force behind the alleviation of poverty, the expansion of businesses that generate money, and

the production of new employment opportunities. As a direct outcome of this research, the OVOP program is now being implemented in several different countries. This forward-thinking approach, which is discussed in the study, assists sme entrepreneurs in the process of identifying key problems and providing a broad variety of solutions for the revival of traditional arts.

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