

## COMPLETION REPORT

### **The Future for Thailand OTOP Community Enterprises' Development Strategy: Experiences from OVOP Japan, An Empirical Study**

Dr. Supathanish Termsnguanwong  
Business Administration Faculty  
Payap University

Title : The Future for Thailand OTOP Community Enterprises' Development Strategy: Experiences from OVOP Japan, An Empirical study

#### Objectives :

1) To examine the ways in which Thailand OTOP community enterprises follow Japanese OVOP community enterprises, with the understanding that Thailand adopted and modified the OVOP concept for use in its own community development strategy. 2) To compare the original Japanese OVOP scheme and the Thailand OTOP in terms of policy implementation to clarify how the idea of community development strategy has been transferred and modified. 3) To extract lessons from the comparison for the future application of the OVOP model in developing countries.

#### Result :

“Fact finding was that OTOP in Thailand seemed to be different from original OVOP in Japan movement. OTOP aimed slightly at poverty reduction or income gap in rural areas and also vitalization of grassroots economy and for achieving the goal, the government provided various supports to producer groups in the form of subsidy as well as training, developing and start-up setting.” Thai OTOP is under strong government initiatives, the movement is completely different from Japanese prototype OVOP. The movement was a central government policy not an endogenous movement. It is widely accepted by the product championship system with the five star grading. However, it is changing under the decentralisation process and strongly assisted by digital economy promotion agency : DEPA including online marketing and technology exchange, such as Artificial Intelligence : AI as well.

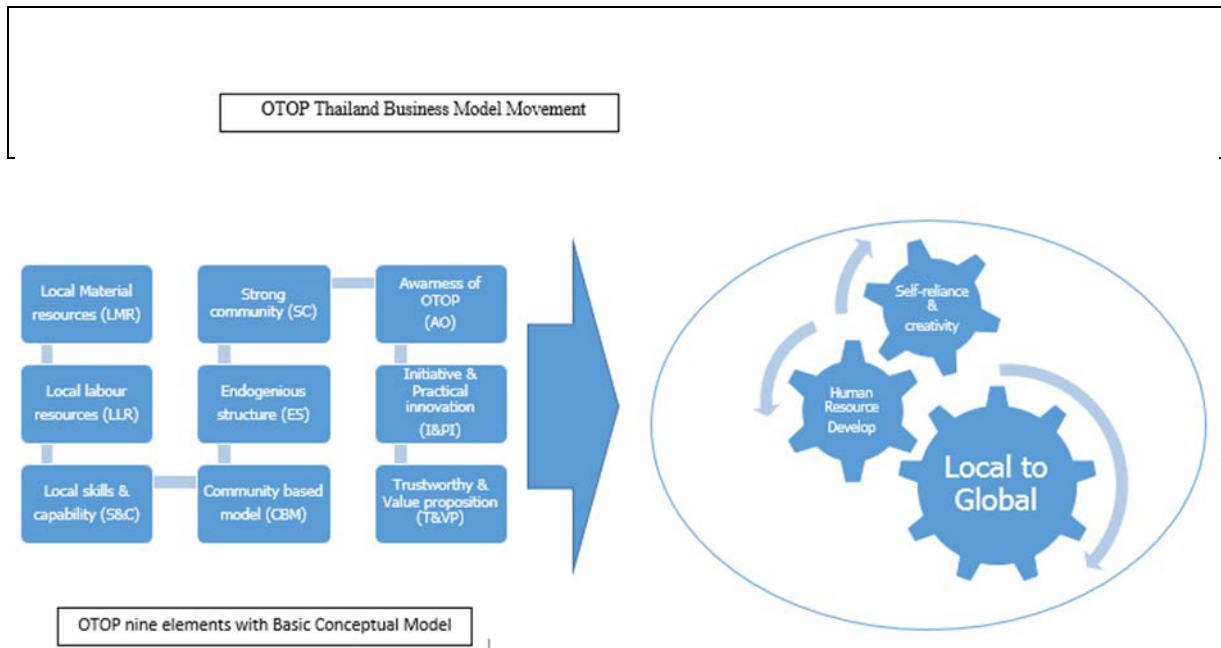
While OVOP Japan is based on a gradual, long-term and sustainable development strategy, OTOP Thailand aims at rapid development of community entrepreneurship in the short term or based on the annual government budget are supported. Among the measures promoted to achieve this is periodic designation of certain individuals or groups as ‘OTOP Village Champion’ and assigning OTOP five star Champions or Provincial OTOP Champions for value proposition which are selected by the government’s committees. In its origin and intent OTOP products are aimed at national and external markets rather than local community consumption or use, which is an important distinction from Original’s OVOP. OTOP focuses primarily on producing outstanding products that can compete successfully in urban and external markets. Community participation in the production of OTOP products is not that much important, unlike in the case of OVOP. In short, the essential difference between OTOP and OVOP is that OTOP is primarily economic in outlook and intent, fundamentally targets urban and external markets, and is less concerned with development of the local community.

OTOP movement has its problem from 4 causes as follows: 1) Global Market Concentration. OTOP policy mostly concentrates in global market level in Practice. Neglect of bases market as local market and national market, the market place of OTOP never been stable. 2) Government Reliable. OTOP movement is Top-Down policy from Taksin government but after changing the government OTOP policy was not longer concerned. Individual entrepreneurs who lie on government are suffer from market failure because originally from its start, the government always offer them by finding support market. Without policy support scheme, OTOP movement is freezing. An Individual Entrepreneurs should play more role as self-reliance not depended on Government support. 3) Lack of suitability Knowledge. It seems effected as the following government reliable problem. Since, in order to encourage an individual entrepreneur to play an important role in OTOP movement rather than lie on Government support, individual entrepreneurs must have an appropriate capacity. For example, one of the principles is to bring internet technology to villages and hope that this will be the starting point of the Tambon Internet Project. But there are no human resources who know how to use internet in many Tambon. Hence, this kind of phenomena is a problem about suitability Knowledge for using technology, and 4) The governments at all levels hanker for a variety of OTOP fairs and exhibitions around the whole country, instead of providing substantial service to OTOP producers at the grassroots level. The local government agencies would prefer to inviting the existing successful producers to participate in OTOP scheme in order to obtain a higher sales records rather than providing continuing assistance to those at a poorer status at the end.

In conclusion, Characteristics of OTOP movement from the origin's conception is a Top-Down policy unlike OVOP policy which is Bottom-Up. Moreover, there is a weak point in OVOP concept that adapted to the Thai community enterprise. It's a government with power over people. This power is based on the transformation policy of the campaign as a concrete political parties that initiated the OTOP. The goal of project is to acquire the voice in the election next time. The OTOP project is counted as a populist scheme, so in the future if they are using this situation and occasion upgrade themselves, they will have the huge authorities for controlling all of OTOP project.

A Conclusion of the OTOP project is not strengthening the community. Instead, focuses on productivity rather than to strengthen the community. Thus, the failure of the One Tambon One Product project of Thailand caused by the four elements which are as follows; the problems of not understanding the true philosophy and the approach of the OVOP project, the problems of the Top-Down policy, and the quality of human resources sufficient.

Finally, the future OTOP Thailand Business Model Movement is



Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

SIBR 2018 Osaka Conference on Interdisciplinary Business & Economics Research : July 05-06, 2018 Ark Hotel Shinsaibashi, Osaka JAPAN. (on process)

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)