



**Asia-Pacific
Economic Cooperation**

The Second APEC “One Village One Product” Seminar

24-25 October, 2007, Fukuoka & Oita, Japan

Small and Medium Enterprise Working Group

(SME03/2007T)

December 2007

This seminar was implemented with additional support from Japan Overseas Development Corporation

The seminar was organized by METI and Asia SEED.

This report was prepared by Asia SEED

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Abbreviation List

AMEICC	ASEAN Economic Ministers and METI of Japan Economic and Industrial Cooperation Committee
AOTS	The Association for Overseas Technical Scholarship
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
HRD	Human Resources Development
JICA	Japan International Cooperation Agency
JBIC	Japan Bank for International Cooperation
JETRO	Japan External Trade Organization
JODC	Japan Overseas Development Corporation
MEs	Micro-enterprises
METI	Ministry of Economy, Trade and Industry
MFI	Micro Finance Institution
OTOP	One Tambon One Product
OVOP	One Village One Product
SMEs	Small and Medium Enterprises

Overview

Background

The Joint Statement of the APEC Ministerial meeting in Ha Noi, Viet Nam, stated *"Ministers welcomed the APEC OVOP Seminar held in Ha Noi, Vietnam in September 2006" and "Ministers encouraged continuous efforts by all members in this regard."*

In order to respond swiftly to the directions from Ministers at Ha Noi regarding activities in promoting the growth and competitiveness of SMEs, and to contribute to the development of APEC regions, Japan organized the second OVOP Seminar in Kyushu, Japan, in October 2007.

The OVOP was initiated as a strategic movement in 1979 by Dr. Morihiko Hiramatsu when he assumed his office as the governor of Oita Prefecture of Japan. It was intended to nurture potential products/industries, to promote autonomy and willingness amongst regional people, and to prevent depopulation in Oita Prefecture.

Objectives

The seminar aimed to:

- Build the capacity of governments and private sectors which are involved in the development of local and cottage industries through sharing experiences and know-how of i) promoting "One Village One Product" movement which was originated and developed in Japan, ii) improving the potential of regional resources especially through tourism, and iii) promoting local industries through inter-sectoral cooperation.
- Provide the opportunity for the participants to have firsthand experience of OVOP movement in Japan where the movement was initiated and is still being vigorously promoted. What are the lessons learnt; the ongoing efforts and future development plans? The Participants will have opportunities to see for themselves the current situation of the movement, as well as the marketing efforts and the quality of products sold in the Japanese market.
- Provide the opportunity for participants to share ideas and discuss how to pursue the promotion of OVOP or SME products in the constantly and rapidly changing world market, and for different situations faced by each economy.

Organization

The seminar was organized by METI and Asia SEED, and was given additional cooperation by JODC. This report was prepared by Asia SEED.

Program

Day 1: October 24 (Wed)

- 09:00-09:10 Opening Remarks by Mr. Shigeo Tani, Director General, METI Kyushu Bureau
- 09:10-10:10 Key Note Speech by Morihiko Hiramatsu, Ph.D.
Former Governor of Oita Prefecture, President of Oita OVOP International Exchange Promotion Committee
“The ‘One Village One Product’ Project Movement Spreading throughout the World”
- 10:30-10:45 Break
- 10:45-12:50 **SESSION 1 : “Successful cases of OVOP”**
12:50 *Introduction of successful projects related to the promotion regional industries utilizing local resources*
- Speakers
- Mr. Satoru Obata, Tsuno Winery in Miyazaki
 - Mr. Komkrit Borriboon, Project Manager, Baan Khun Pranee Borriboon
 - Q&A
- 12:50-14:20 Lunch Break
Exhibition of traditional arts, crafts, village product at Seminar room
- 14:20- **SESSION 2 : Assisting the development of local cottage industries**
17:20 *Introduction of cases of assistance towards local cottage industries by various actors, including cases of cross-sectoral collaboration as well as the effective use of IT technology*
- Speakers
- Mr. Aldi Haryoprato, Southeast Asian Microfinance Partnerships Coordinator, KIVA
 - Dr. Lilik Setyobudi, Entrepreneurship Education Center, Brawijaya University
 - Prof. Takeru Ohe, Director, Incubation Promotion Office, Waseda University
 - Ms. Kazuko Kano, Technical Consultant, Japan Bank for International Cooperation (JBIC)
 - Q&A, session chair: Prof. Dr. Yonosuke Hara, Asia SEED
- 17:30 Photo session
- 19:00-21:00 Reception at Shikanoma, Hotel Nikko Fukuoka
Toast by Prof. Dr. Yonosuke Hara, Asia SEED

Day 2: October 25 (Thu)

- 08:00 Leave Hotel for field trip
- 09:30-11:00 **Oyama Town agricultural cooperative**
Presentation by Mr. Kinji Yahata, Chairman, OITA-OYAMA Agricultural

Cooperative on “town development in Oyama”

11:05-12:30 Lunch at Konohana Garten (dishes prepared using local farm products)
Field tour at direct selling market & shops

13:30-15:00 **Yufuin town**
Presentation by Mr. Kumpei Mizoguchi, Vice President, Oita OVOP International
Exchange Promotion Committee on “town development in Yufuin”

15:00-16:00 Wrap-up session: presentation of ideas from participants

16:00-16:30 Walking around Yufuin town

16:30 Leave for Hakata

18:00 Return to Hotel

Participants List

No	Economy		Name	Designation	Organization
Speaker and Session Chair					
1	Japan	Dr	Morihiko Hiramatsu	President	Oita OVOP International Exchange Committee
2	Japan	Mr	Satoru Obata	President	Tsuno Winery
3	Thailand	Mr	Komkrit Borriboon	Project Manager	Baan Khun Pranee Borriboon
4	Indonesia	Mr	Aldi Haryoprato	Southeast Asian Microfinance Partnerships Coordinator	KIVA.org
5	Indonesia	Dr	Lilik Setyobudi	Professor	Brawijaya University
6	Japan	Dr	Takeru Ohe	Professor	Waseda University
7	Japan	Ms	Kazuko Kano	Technical Consultant	JBIC (Japan Bank for International Cooperation)
8	Japan	Dr	Yonosuke Hara	Director, Asia SEED	Asia SEED
Participants					
9	Chile	Ms	Nora Eliana Barrientos Cardenas	Regional Director	Chilean Economic Development Agency (CORFO)
10	Chile	Ms	Patricia Isabel Herrera Pintor	Manager for PTI Program	Chilean Economic Development Agency (CORFO)
11	Chinese Taipei	Mr	Chun-Liang Chen	Small and Medium Enterprise Administration	Ministry of Economic Affairs
12	Indonesia	Mr	I Wayan Dipta	Senior Advisor to The Minister for Cooperative and SME on Technology Utilization	Ministry of Cooperative and SME
13	Indonesia	Mr	Sakri Widhianto	Director General for Small and Medium Industry	Ministry of Industry
14	Indonesia	Mr	Achmad Sufiardi	Director of Food Industry	Directorate General of Small and Medium Industries, Ministry of Industry
15	Indonesia	Mr	Made Dharma Harthana	Deputy Director of Business Climate and Institutional	Directorate of Craft Industry, Directorate General of Small and Medium Industries, Ministry of Industry
16	Malaysia	Ms	Suzy Yanty Ahmad Rubani	Assistant Manager	Strategic Planning Division, Small and Medium Industries Development Corporation (SMIDEC)
17	Malaysia	Mr	Mohd Rashid Bin Abdullah	Senior Deputy Director	Domestic Promotion Division, Malaysia Tourism Promotion Board
18	Mexico	Ms	Rocio Vazquez Perez	Deputy Director For International Relations	Ministry of Economy
19	Mexico	Mr	Bernardo Podolsky Rosenfeld	General Director	Mexican Association for Jewelry and Handicrafts Cottage Industry
20	Peru	Ms	Liz Chirinos Cuadros	National Director of Tourist Development	Ministry of Foreign Trade and Tourism
21	Peru	Mr	Felix Jaime Manuel Aguilar Rojas	Advisor to the Direction of Competitiveness	Ministry of Production
22	Philippines	Ms	Joyce Natalie Yu Yang	Visayas SME Representative / President	National SME Development Council / Aquarose Designs, Inc.
23	Philippines	Ms	Susan Palad Jikiri	Member of Board / Owner	Skal International / Khasan Tours
24	Philippines	Ms	Christine M. Maravilla	Human Resources Manager	Leighton Contractors (Philippines) Inc.
25	PNG	Mr	James Kupwe Ninau		Department of Commerce and Industry
26	PNG	Mr	Peter Kamara Ngodol	Manager, Corporate Services	Small Business Development Corporation

27	Russia	Ms	Larionova Natalia	Devison Head, Dept. for Regulation in Economy	Ministry of Trade and Economic Development
28	Russia	Mr	Pamukhin Vasily	Expert, Dep. for Regulation in Economy	Ministry of Trade and Economic Development
29	Thailand	Mr	Notachard Chintakanond	Middle Management, International Cooperation and Policy Support Department	Office of SMEs Promotion
30	Thailand	Ms	Pimolapar Sywaphanich	Chief, Micro Enterprise Strategy and Action Plan Formulation	Office of SMEs Promotion
31	Vietnam	Ms	Nguyen Hong Lien	Director of Business Information Center	Agency of Small and Medium Enterprise Development
32	Vietnam	Ms	Nguyen Thi Thuy	Senior Officer	Agency of Small and Medium Enterprise Development
33	Fiji	Ms	Alise Faulalo-Stunnenberg	Private Sector Development Officer	Economic Governance Programme, Pacific Islands Forum Secretariat
34	Japan	Mr	Shigeo Tani	Director-General	METI Kyushu Bureau
35	Japan	Mr	Shinji Kakunaka	Director-General for International Policy and Cooperation	METI Kyushu Bureau
36	Japan	Mr	Mitsuyoshi Saito	Director-General, International Affairs Department	METI Kyushu Bureau
37	Japan	Mr	Yoshihisa Uemura	Director	METI Kyushu Bureau
38	Japan	Mr	Hideaki Oka	Deputy Director	METI Kyushu Bureau
39	Japan	Ms	Motoko Ikebe	Assistant Director	METI Kyushu Bureau
40	Japan	Mr	Tetsushi Jo	Deputy Director	METI Kyushu Bureau
41	Japan	Mr	Yuya Hasegawa	Deputy Director, APEC Office	METI
42	Japan	Mr	Nobuaki Yanagisawa	Assistant-Director, APEC Office	METI
43	China	Mr	Chi Xiao Nan	consul	Consulate-General of the People's Republic of China in Fukuoka
44	USA	Mr	Tames T. Crow	consul	American Consulate in Fukuoka
45	USA	Ms	Yuko Nagatomo	economic specialist	American Consulate in Fukuoka
46	Thailand	Ms	Yoshie Hanaguri	Marketing Officer	Thai Trade Center Fukuoka
47	Japan	Mr	Masashi Okazaki	Management-level Staff	Nagasaki Prefectural Government
48	Japan	Mr	Keiichiro Nakao		Miyazaki Prefectural Government
49	Japan	Mr	Shinji Soejima		City of Fukuoka
50	Japan	Mr	Shinji Masuda	Officer	
51	Japan	Mr	Toshiyuki Fukuda	Translator	JICE
52	Japan	Mr	Yoshio Hara	Chairman	Asia SEED
53	Japan	Mr	Shoji Kimoto	Secretary General	Oita OVOP International Exchange Committee
54	Japan	Mr	Hiroaki Matsuoka	Chief, Seminar Division	Oita OVOP International Exchange Committee
55	Vietnam	Mr	Le, Trung Hai	Student	Graduate School of Economics, Kyushu University
56	Laos	Mr	Bounmanit, Soutsaka	Student	Graduate School of Economics, Kyushu University
57	Japan	Ms	Sayaka Fukuda	Research Associate	Graduate School of Media and Governance, Keio University
58	Japan	Ms	Mieko Tsumori		JICA
59	Japan	Ms	Yoshiko Furuya		JICE
60	Japan	Mr	Takashi Hatakeyama		JICA

Day 1: 24 October, 2007 (Wed)



Opening Remarks by Mr. Shigeo Tani, Director General, METI Kyushu Bureau



Key Note Speech :Morihiro Hiramatsu, Ph.D

“The ‘One Village One Product’ Movement Spreading throughout the World”

Former Governor of Oita Prefecture

President of Oita OVOP International Exchange Promotion Committee

Dr. Hiramatsu gave an overview of the ‘One Village One Product’ movement, which he initiated as a strategic movement and vigorously promoted during his term as the governor of Oita prefecture during 1979-2003.

OVOP movement has been very successful in Japan, attaining capability building and self-improvement of the agricultural population in the rural areas, leading to many similar programs throughout Japan to strengthen the capacity of local industries. It has also been implemented overseas, initially in the Asian region, now spreading to economies as far away as Africa.



Presentation Material:

アジアへ 世界へ

The "One Village, One Product" Movement
Spreading throughout the World

世界に広がる一村一品運動

Morihiko Hirumatsu, Ph.D.
President, Oita OVOP International
Exchange Promotion Committee
NPO 大分一村一品国際交流推進協会
理事長 平松 守彦



Outline of OITA PREFECTURE
大分県概要

A R E A 領 域	8, 288km ² (面積 17% 国土に)	
POPULATION (A. 市) 住民総数	1,221,540人 (総数 19% 国土に) (1.22 million)	
Production GDP (県内総産出)	4,686,549億円 (全国第 29位) (2000) (4,395 billion JPY) (43.3 billion USD)	
TOPOGRAPHY 地 形	山、川、自然の多様な地形と豊かな自然 Valley topography and nature blessed with beautiful seas, highlands and mountains.	
	日本一の温泉地帯を誇る The largest number of hot springs in Japan.	
Per Capita Income Per Capita (1人当たり県民所得)	1979 1,998 1,667 2,267 2,626 2,706 2,847 (千円) 九州1位	
	USD 11.2 12.5 20.8 22.7 23.8 22.8 (thousand)	

2000 in the Nation, 1st in Kyushu Region (9,602,000 JPY)

GNP社会 → GNS社会

Gross National Product = 国民総生産 (県民所得)	Gross National Satisfaction = 国民充足度 (県民総満足)
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地域開発の手法
Technical Tips for Regional Development

- 外発的発展 Exogenous Development
他の地域から企業を誘致して新しい産業を興して行く手法
To invite various businesses from other regions to promote new industry in this.
- 内発的発展 Endogenous Development
地域にある資源・文化・技術を活用して地域経済を活性化する方法
The regional economy will be stabilized from within the actual community through having resources to promote things that are essentially made in the region including regional resources, local culture and technical knowledge.

一村一品運動 = 内発的発展
The One Village, One Product Movement = "Endogenous" Method

One Village, One Product Movement
一村一品運動

3 Basic Principles
3原則

Local yet Global
ローカルにしてグローバル

Self-reliance Creativity
自主自立 創意工夫

Human Resource Development
人材育成

Local Yet Global

ローカルにしてグローバル

Dried Shiitake Mushrooms
乾しいたけ

Production Volume
生産量
1.410+

Production Sales
生産額
56億円: 56billion yen
(2004)

Domestic Market Share
国内生産シェア
34%



カボス Kabosu Limes

生産量 Output of 2009y 生産額 Production Sales ¥1014M
4,550t 10億1400万円

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

Processed Products made from Kabosu



麦焼酎 Barley Distilled Spirits (SHOCHU)

1976年度課税数量(乙類) Taxation Quantity of 1976y
765H
全国シェア Domestic Production Market Share
1%

↓ [158 times increase]

2003年度課税数量 Taxation Quantity of 2003y
119,060H
全国シェア Domestic Production Market Share
30.7%




**ハウスミカン
Greenhouse Mandarin Orange**

生産量 Output of 2009y
5,180t

国内生産シェア Domestic Production Market Share
9.1%
(全国4位) (4rd place nationwide)

A Greenhouse Orange Farm

Beside the Greenhouse





**関アジ・関サバ
SEKI-Horse Mackerel/SEKI-Mackerel**

●平成9年に登録商標 ●Registered in 1997
●仕組別女性専用魚店 ●Fishing one by one
●関アジ 1尾 3,000円 ●SEKI-Horse Mackerel ¥3,000
一尾のアジ 1尾 1,000円 Ordinary Horse Mackerel ¥1,000





湯布院町 Yufuin Town
 人口 (Population) 11,811人
 観光客数 (Number of sightseers) 1979年 190万人(1.9million)
 2004年 388万人(3.88million)
 「思いのある町づくり条例」の制定
 Enactment of the "Town Enrichment Ordinance"

湯布院温泉街
 湯布院温泉街
 湯布院温泉街

久住町 Kuju Town
 人口 (Population) 4,703人
 観光客数 (Number of sightseers) 1979年 28万人(2.8million)
 2004年 193万人(1.93million)
 「地球にやさしい村」構築
 Earth-friendly Village Project

久住町公園 Kuju Flower Park
 久住町ビール Local Kuju Beer
 ミンクファーム Mink Farm

彦根町 Naoiri Town
 人口 (Population) 2,991人
 観光客数の増加
 Growth in the number of sightseers

彦根町公会堂
 彦根町公会堂
 彦根町公会堂

安心町 Ajima Town
 Population: 2,548 Tourists: 172万人
 安心町グリーンツーリズム研究会
 Ajima Town Green Tourism Workshop
 Founded in 1996
 420 members (inc. 200 nonresident)
 農家民宿、農家体験、産品づくり等
 Farm Stay, Hands-on Experience in Agriculture, Japanese Sweet-Inn Making

**豊後高田市・「昭和の町」
 Town of SHOWA**
 人口 (Population): 28,101人
 商店街に最も活気があった昭和30年代
 商店街活気みま再現
 観光客数: 470 → 20万人
 稼働店舗: 320店舗
 資料件数: 500~600件
 一店一宝蔵、一店一品

No.1 shopping arcade in the area of SHICOKU (1996-2000), where the world would be 50% quiet

Number of tourists (9/1): 7,728,000
 Number of enterprises: 128 groups
 Number of sightseers: 500-600 groups
 One Shop One Treasure

一村一品単価比較 Price Comparison of Main OVOP Products

乾椎茸(冬菇) Dried Shitake Mushrooms	100g	3,000 JPY	28 USD
焼酎 Barley Distilled spirits	100g	240 JPY	2.3 USD
ハウスミカン Greenhouse Oranges	100g	300 JPY	2.8 USD
自動車 Motor Car	1.5 ton	200 JPY	1.9 USD
1.5 ton: 3million JPY / 28thousand USD			

Self-reliance
Creativity

自主自立、創意工夫

NPC Movement in Oyama Town
大山町のNPC運動

Population 3,870
NPC Movement
New Plum & Chestnut

1967年開始、次作、養蚕一途・食糧不足・ハワイに上る、バスが10月以降毎日1本（7割）中国・蘇州市、合則農協初の自費研費工場、次の北村さん

Began in 1967. Also Fanning and Livestock for 'let's plant plums and chestnuts to go to Hawaii'. High percentage of passport carrying residents in Japan (70% of the population).

Exchanges with Oita (Suzhou City). First joint venture: honey factory started by a Japanese Agricultural Cooperative - Kanokusa Garden.



木の花ガーデン Konohana Garden

1990年オープン
年商 18億円
購買者: 190万人
大分、福岡で8店舗

Established in 1990
Annual Sales ¥1.8B
Stores in Oita and Fukuoka
Wholesale and Retail

大分県産のシンボルマーク「木の花」をテーマに

大分県産のシンボルマーク「木の花」をテーマに



県・行政の支援 Prefectural Government Support

1. 技術支援 Technical Support
 - (1) 農の試験研究機関
Prefectural Experiment & Research Institute
 - (2) 商品改良・開発の支援
Support for Improvement and Development of
2. 農産物販 販促促進 & Merchandises
 - (1) 大分フェア 他産地等の開催 Oita Fair / Product Exhibition
 - (2) 地産地消運動 Local Produce / Consumption Promotion Campaign
 - ① 農の消費推進運動
Town-to-Town (Land of Abundance) Fresh Produce Campaign
 - ② 一村一品フェア One Village One Product Fair
 - (3) 大分一村一品推進協議会 The "Oita One Village One Product Cooperation"
 - (4) 道の駅 道の駅 Michi-no-eki / Station-eki (Local Rest Area)
3. 功績に対する感謝状送 贈呈の謝状送 Program



<p>農産物加工センター Agriculture & Food Research Center</p> 	<p>大分県動物生産研究センター Oita Prefectural Animal Production Research Station</p> 	<p>畜産試験場 Livestock Experimental Station</p> 
<p>農のこども園 Nook's Kindergarten</p> 	<p>消費者センター Consumer Research Station</p> 	<p>加工場・畜産物センター Food Processing Center Livestock Processing Center</p> 
<p>畜産物加工センター Agriculture & Food Research Center</p> 		

Human Resource
Development

人づくり

豊の国づくり塾 Toyo no Kuni Development School
 1983～2001年までの卒業生 1,806名
 1806 graduates from 1983 to 2001

豊の国21世紀塾
 Toyo no Kuni 21st Century School
 2001～2002年 166名
 166 students in 2001 and 2002



塾生：「実践・啓蒙・継続」
 Slogar: Practice, Enlightenment, Continuance

豊の国づくり塾の広がり
 Spread of Toyo no Kuni Development Schools

- ・21世紀大分県農塾 (Agriculture)
- ・豊後牛飼い塾 (Oattle Owners)
- ・豊の国高い未来塾 (Future Business)
- ・豊の国経営塾 (Management)
- ・豊の国観光カレッジ (Tourism Exchange)
- ・おおいだ環境塾 (Environment)
- ・豊の国しらゆり塾 (Single Mothers)
- ・豊の匠塾 (Technical Experts)
- ・豊後やる木塾 (Forestry Management)
- ・豊の匠塾 (Fisheries)
- ・地域文化遺構 (Culture)
- ・大分県福祉ボランティア大学校 (Welfare Volunteer) など



農村女性の起業活動 Women Entrepreneurs in Villages

農村女性の起業活動件数 合計 339 (九州2位、全国4位)
 Number of Women Entrepreneurial Groups 339

Agricultural Products
 農産物・生産者→販売者
 Producer → Seller

Processed Agricultural Goods
 農産加工品・生産者→販売者
 Producer → Seller




恵会(萩町) Megumi-Kai (Ogi Town)

トマトケチャップ Tomato Ketchup






畦道グループ(天瀬町)
 Aze-michi Group (Amagasaki Town)




かりんとう Handmade Cookies Shop



一村一品運動 品目数と販売額の推移
 Change in Number of QVOP Products & Total Sales

一村一品

品目数 (1980)	300
品目数 (2001)	336
増減	(36)
販売額 (1980)	359万
販売額 (2001)	1,410万
増減	1,051万
増減率	(29%)






One Village, One Product Movement

One Factory, One Product 一 廠 一 品 運 動 China Shanghai 中国 上海市	One Fashion, One Product 一 時 尚 一 品 運 動 Thailand タイ王国
One City, One Product 一 市 一 品 運 動 China Shanghai 中国 上海市	One Town, One Product 一 町 一 品 運 動 Philippines フィリピン
One Village, One Treasure 一 村 一 宝 運 動 China Wuxue 中国 武穴市	One District, One Industry 一 区 一 業 運 動 Malaysia マレーシア
One Village, One Product 一 村 一 品 運 動 China Suzhou 中国 江苏省	Back to Village, One Product 回 村 一 品 運 動 Indonesia East Java インドネシア 東ジャバ
One Company, One Village 一 企 一 村 運 動 Luzon ルソン	One District, One Product 一 区 一 品 運 動 Las People's Democratic Republic ラオス人民民主主義国











立命館アジア太平洋大学
Ritsumeikan Asia Pacific University

Founded Apr. 2000 in Suway
800 students enrolled per year, half of whom are foreign students

学生数(性別) (14ヶ国地域 10カ国以上)
男女別: Total number 1,728名
男女別比率: Gender ratio: 1:1.04

留学生の生じた国別数 Country & Region & Number

1. 韓国 Korea	524
2. 中国 China	256
3. タイ Thailand	146
4. 台湾 Taiwan	131
5. インド & Vietnam	115
6. シンガポール Singapore	112

留学生の地域別数別数別数 Country Number

1. アジア Asia	892名(地域) 1,201
2. アフリカ Africa	140名(地域) 80
3. 南・中央アメリカ South & Central America	110名(地域) 66
4. アメリカ America	102名(地域) 66
5. 大洋洲 Oceania	80名(地域) 33

フレンゴ APU公認学生サークル
PRENGO (Pre-NGO), Certified APU Student Circle

設立: 2003年4月
 タイ王国での発展途上の国境、教育等向上を目的として活動を展開。地域発展とともにタイ第一村-一村OTOPの発展を、世界に発信し続ける。

Established in 2003
 Work on the improvement for education and business development of OTOP in rural and under-privileged areas.

2006一村一品国際セミナー大分(10月20日)
2006 OPOP International Seminar in Obitax 20



アジアは世界の成長センター
Asia: The World's Growth Center

人口増加倍率 (1990-2010), (%) **実質GDP成長率** (1990-2010), (%)

	1990	2000	2002	2004
JAPAN	△1.0	0	0	0
CHINA	17.0	8.0	1.4	9.8
KOREA	11.0	8.0	0.0	9.0
CAMBODIA	9.0	7.0	0.0	4.0
INDONESIA	6.0	4.0	4.0	0.0
PHILIPPINES	7.0	4.0	0.0	0.0
THAILAND	0.0	0.0	0.0	0.0
SEA	△1.0	0	0	0
USA	0.0	0	0	0

※2002年国連統計より アジア経済委員会「アジア発展戦略2004」より

Oita OPOP International Exchange Promotion Committee
大分一村一品国際交流推進委員会

●海外からの研修受入... 研修年度別35カ国、1,327名
 ●一村一品国際セミナー開催... 2007年7月6日マレーシア・マラッカ
 ●海外・大分県内企業関係者等... 一村一品大賞
 ●研究発表... 大学、政府機関等が活用して研究発表
 ●産官学連携ネットワーク... 人材育成とネットワーク形成

●Receive study groups from overseas: 35 countries, 1,327 members
 ●Hold the OPOP Int. Seminar: July 6, 2007 at Malacca, Malaysia
 ●Event groups and individuals in the world
 ●Research: universities and government agencies start researching
 ●Networking: Human resource development and networking

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 TEL: 81-95-349-5241, FAX: 81-95-349-3253, E-mail: info@oopop.jp

一村一品運動成功のために
Directions for the Success in the "One Village, One Product" Movement

1. 住民の意識改革 **Awareness Building**
2. 地域の変を知る **Identifying Local Treasures**
3. 継続は力 **Persistence is the Glass of Power**
4. 付加価値の高い産品づくり
Making High Value-Added Products
5. 販路の確保 **Securing Marketing Channels**
6. 人材育成 **Human Resources Development**



Q & A for Key Note Speech

Question 1

1. What was the most important factor to create this movement in Japan?
2. What was the role of the government in promoting this movement?
3. You mentioned various training facilities that are available for the public such as the mushroom cultivation training center. Do you have to pay any fee, or is it free?

Answer 1

1. The important thing is to listen to everybody's opinion. The main drive should come from the local people and companies. You should also make a model case that will be the initiative to expand this movement.
2. The government can help in teaching, in maintaining infrastructure, in publicity such as organizing fairs and exhibitions, giving "good design" awards etc. It can also support ideas such as preserving the natural environment. From my personal experience, as a government official, I marketed local products vigorously such as the locally made spirit, which were actually not much drunk locally, in areas of large consumption such as Tokyo, making it into a brand. Such top advertising was my job.
3. It's free, because the training is done by the local government officers as part of their jobs.

Question 2

I understand that the support by the government is provided in 3 ways: research institute, sales & marketing of merchandize, and rewards for achievement. If you register for the movement, are there any rewards such as tax incentives?

Answer 2

There is an awarding ceremony we organize once a year, where we commend the most successful person or company, and award them a prize of 100,000-500,000yen. There are no tax incentives. It should be noted that while in Thailand, OTOP has been promoted under the strong initiative of the government, but in Japan the initiative comes from the private sector.

Question 3

What is the most important thing in motivating young people to participate in the OVOP movement?

Answer 3

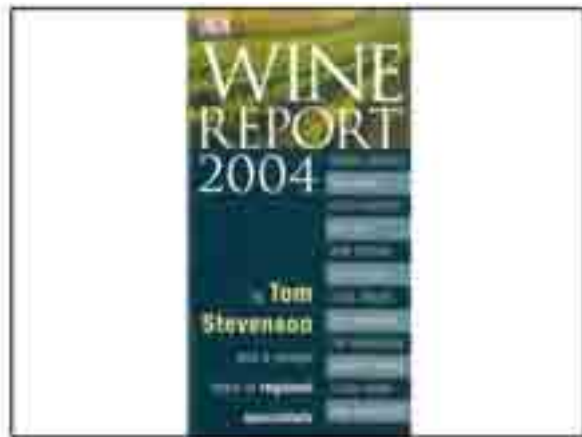
I have introduced the idea of a GNS (Gross National Satisfaction) society in my presentation. It is important for the local people to make an effort to realize this shift from a GNP based society; to make their community a town where young people want to live in. The local area will vitalize as long as there are young people willing to commit in improving their region. So the key is for the people to love their own community and to make an effort to improve it.

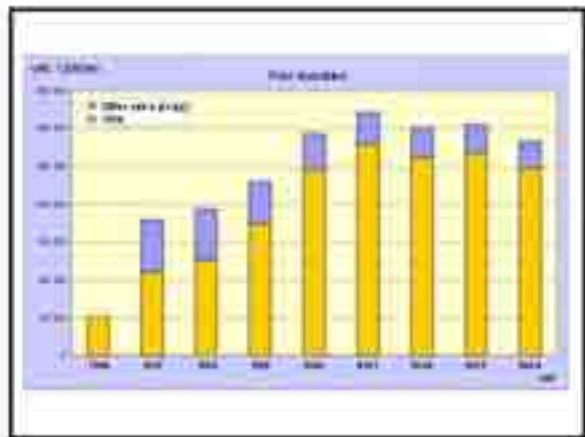
Session 1: Successful Case Studies of OVOP

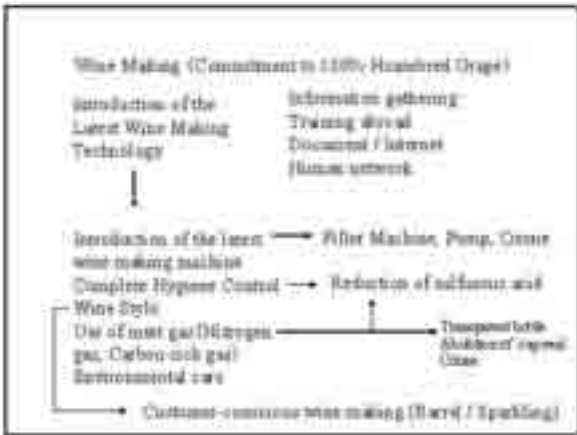
Session 1-1 Mr. Satoru Obata: “Utilization of local raw material, original cultivation method, and contribution to local community”



<p>WINE</p> <p>WINE REPORT 2004</p> <p>Author: Tom Stevenson</p> <p>ISBN: 978-0-09-045555-5</p> <p>Price: £14.99</p> <p>Pages: 288</p> <p>Published: 2004</p> <p>Publisher: HarperCollins</p>	<p>WINE</p> <p>WINE REPORT 2004</p> <p>Author: Tom Stevenson</p> <p>ISBN: 978-0-09-045555-5</p> <p>Price: £14.99</p> <p>Pages: 288</p> <p>Published: 2004</p> <p>Publisher: HarperCollins</p>
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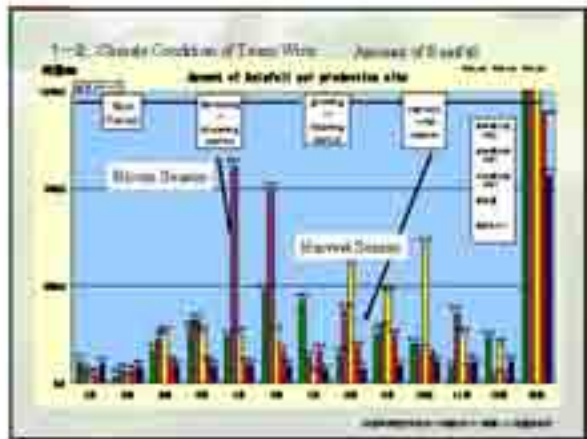


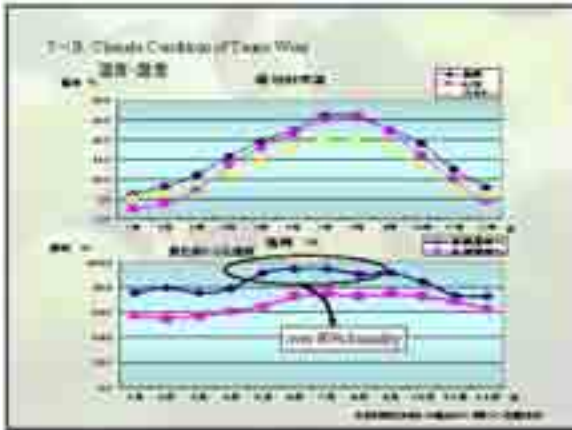




Unique Cultivation System
(Environmentally Friendly Regenerative Agriculture)

- Active use of compost (Soil preparation)
- orchard sod culture (growing grains to prevent soil erosion & to enrich soil)
- Reduction of pesticides
- Cultivation control using the lunar calendar
- Use of Chemical Fertilizer
- Unique pruning technique





1-4. Soil of Tsuno Wier
Comparison with Other well-known Flows (Type of Analysis / Survey)

項目	調査地	調査年	調査地			調査地			調査年
			調査地	調査地	調査地	調査地	調査地	調査地	
調査地	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
調査地	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
調査地	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
調査地	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Soil in Flows (solid line), from actually soil to account.
Soil in 20% boundary (solid line). This is the legend (from the soil used in the 4 sections).
Most of the (some type) yields (from actually soil).

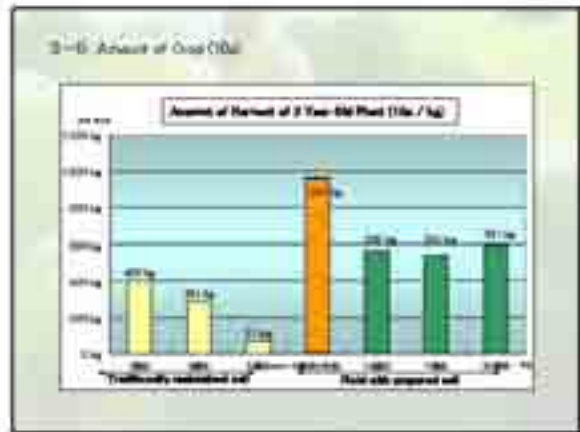
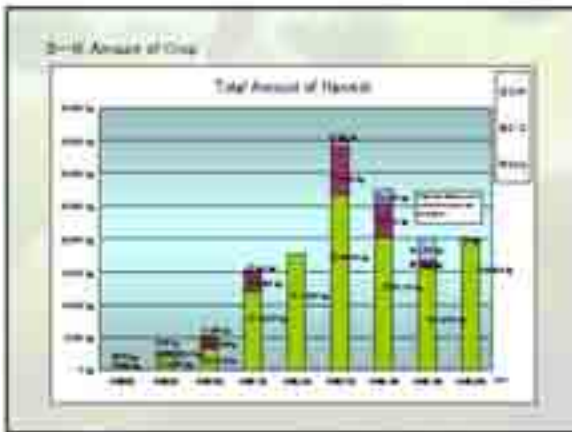








表1. Direct Economic Effect of Tanno Wine in Tanno Town (2008~)

Year	Production (kg)	Local Purchase (kg)	Local Purchase Price (¥)	Total (¥)
2008	1,000	1,000	100,000	100,000
2009	1,000	1,000	100,000	100,000
2010	1,000	1,000	100,000	100,000
2011	1,000	1,000	100,000	100,000
2012	1,000	1,000	100,000	100,000
2013	1,000	1,000	100,000	100,000
2014	1,000	1,000	100,000	100,000
2015	1,000	1,000	100,000	100,000
2016	1,000	1,000	100,000	100,000
2017	1,000	1,000	100,000	100,000
2018	1,000	1,000	100,000	100,000
2019	1,000	1,000	100,000	100,000
2020	1,000	1,000	100,000	100,000
2021	1,000	1,000	100,000	100,000
2022	1,000	1,000	100,000	100,000
2023	1,000	1,000	100,000	100,000
2024	1,000	1,000	100,000	100,000
2025	1,000	1,000	100,000	100,000
2026	1,000	1,000	100,000	100,000
2027	1,000	1,000	100,000	100,000
2028	1,000	1,000	100,000	100,000
2029	1,000	1,000	100,000	100,000
2030	1,000	1,000	100,000	100,000
Total	30,000	30,000	3,000,000	3,000,000

Local Purchase Price: Price of local products at Tanno Winery

- Items for Community-based Business**
- Development of naturally resource utilizing wine making landscape
- Photo Wine → Visualization of mountain region
 - Development of _____ → Distilled spirit, Grappa
distilled alcoholic beverage
 - Development of figural _____ → Utilization of local fruit
 - Development of mineral water → Conservation of natural spring
Oozu Mountain



Cultural Contributions

- Wine Festival (Once a year since 1997)
- Concert (Once a year since 2003, Jazz, Oldtime Music, etc.)
- Team Wine Cup Football Tournament (High School, Junior High School, Elementary School, Freshman)
- Junior High School Softball Tournament for Team Wine Flag
- Information Magazine "CORR" (Once a year, Introduce Team Wine)
- Lectures (Free Dances, Yachters, Community Hobbies, etc.)
- Team Wine Filmstrip Event (Planning Committee, Fund Raising)









“Commitment to 100% Homebred Grape”, “Unique Cultivation Method”, and
“Contribution to the Community: Community-bases Business concept”

Tsuno Winery
Satoru OBATA

[Preface: Tsuno Winery]

Tsuno Town is located just between Nobeoka city and Miyazaki city in the central area of Miyazaki prefecture facing Hyuganada seashore, with a population under 13,000. The main industry is agriculture, mostly vegetables, fruits and animal industry. The Osuzu Mountain of the Kyushu mountain land towers over the area. In the summer the villagers send their prayers to the gods for a good harvest, enlivening the Hyuga-Ichinomiya Shrine. Tsuno town is a typical rural town like any other in Kyushu.

Tsuno winery started operation in 1996 in this town. Grape making in Tsuno town started just after World War II, and today Tsuno town yields the largest production amount in all of Miyazaki Prefecture. Making most of the warm climate, the town produces Campbell Early grapes shipped especially to Hokkaido with the brand name of “Osuzu grapes”. However, the cost of Campbell Early grapes plunges past the midsummer festival. Tsuno Winery grew from the attempt to add value to these Campbell Early grapes by producing wine.

[Profile: Tsuno Winery]

Tsuno winery is a so called “third-sector method” winery, i.e. a joint public-private venture established in 1994, with capital investment from Tsuno town municipal, Osuzu agricultural cooperative, and local companies. Wine production and sales started in 1996 when the wine making license was obtained. It is a small company with a capital of 97 million yen, 8 staff, an annual production of approx. 220 thousands bottles and sales of approx. 260 million yen (of which 240 million yen was for wine sales) (figures of 2006).

Grapes used for the wine is all locally produced. In 2006, the winery purchased approx. 200 tons of grapes, of which 130 tons of Campbell Early and 50 tons of Muscat Berry A were purchased from local grape producers through Osuzu agricultural cooperative. Almost all of the wine produced using the two grapes come on the market as a new brand of wine. The remaining 20 tons are for specific wines such as the Chardonnay. The latter type of grapes are bought from Makiuchi agriculture productive cooperation (hereinafter abbreviated as Makiuchi productive cooperation). Makiuchi productive cooperation is a farming cooperation established to provide specific grapes to Tsuno Wine for these special brands.

[Commitment to 100% Homebred Grape]

When the winery opened in 1996, 35,000 bottles of young wine made at the winery sold out within a month. Importing grapes from abroad was considered in order to produce more wine, however the management chose to uphold their “commitment to 100% homebred Osuzu grape” even

though it was a painful business decision. The concept of ‘local production for local consumption’ is nothing special these days, but at the time few people understood it. A local TV station even reported the episode as a lack of government responsibility with their inability to provide the wine.

We believe that wine should essentially be locally made. Wine should be provided domestically by national brands. Through our wine, we wish to express our unique culture and mind.

We believe that by using only homebred grape, we have strengthened our bond with the local grape producers, and most of all have managed to obtain the trust of the consumers.

[Unique Cultivation System]

Tsuno Town is not suited for grape cultivation. Villagers first started grape cultivation as a cash crop, since the topsoil of their land was slight and not suited for rice paddies. Rainfall exceeds 3,000mm/year and typhoons are common. In 2004, Makiuchi productive cooperation’s red brand grape was completely destroyed by a typhoon.

Under these conditions, we saw the light in grape cultivation through improvement of the soil.

The vineyards of Makiuchi productive cooperation are of volcanic ash soil called “Kuroboku”. The land is very poor. Generally it is said that grape grows well in poor land, but the traditional method of grape cultivation did not fare well for the specific grapes for wine. Further, the annual rainfall exceeding 3,000mm at its worst destroyed the young trees before they matured. It was then that we met Mr. Susumu Miwa, the leader of the local study group on organic farming. He advised us to analyze the soil, leading us to discover the very little amount of mineral in the soil. Mr. Miwa’s group was also struggling with the “Kuroboku” soil in Tsuno Town. One answer to the problem was to improve the soil.

We aggressively use compost. We put in compost and make aggregate soil that is a suitable environment for grape root hair to grow, leading to the healthy growth of vines and grapes. As a result, healthy vines increased, allowing us to reduce the use of pesticides. For example, we no longer spray Bordeaux mixture as a preventive chemical against downy mildew.

Mr. Miwa’s study group continued to collaborate with various outside groups, and Makiuchi productive cooperation’s vineyard turned into their experiment field. Eventually the municipality set eyes on their technique and established a compost plant within the winery grounds. They collected the town’s wet refuse, starting regenerative agriculture. They even managed to contract with major supermarkets for vegetable sales made using their compost.

[Contributing to the Community: Concept of Community-based Business]

We believe Tsuno Wine’s mission is to contribute to the local community. Tsuno wine has had direct economic effect on Tsuno Town through procurement of grapes, sales of local products, and donation to Tsuno Town. The total in the ten years since its establishment has reached 890 million yen.

Besides these direct economic effects, as mentioned before, our winery has actively cooperated with the regenerative agriculture policy of Tsuno Town, contributing to boosting the image of the town’s agricultural products. We also play a major role in communicating with the outside world.

In July 2004, we have started selling “plum wine”. There are districts called Todorō and

Tateno in the mountain side of Tsuno Town. They used to produce Japanese oranges but later switched to plum cultivation. We experimentally produced wine using these plums, and discovered that plum is suited to be brewed with its high contents of acid. With the good acceptance of the trial wine, we started mass production in 2004, and although there is much room for improvement, we believe the 'plum wine' to hold a significant part in our future sales.

There is a concept called 'Community-based Business'. There are many interpretations, but we understand it to be a business fully engaged in utilizing potential resources of the community, both human and material.

Tsuno Wine has been practicing such community-based business. The town is rich in resources, and from that standpoint, we see the town as a gold mine. We aim to treasure this concept of a community-based business.

[Label for Sparkling Wine – the thought that went into it]

The market for domestic wine in Japan is tough. The numbers for product taxation amount shows that domestic wine held 50% in 1992 but decreased drastically in the following 10 years to 39% in 2002. The numbers indicate that domestic wine is being cleared off the shelves of liquor shops. We stand at a time when our significance is being questioned. Tsuno Wine is no exception. We have not found the answer yet, but we believe the survival of a small rural winery such as ours rests in pursuing concepts such as 'Commitment to 100% Homebred Grape,' 'Unique Cultivation System,' 'Contribution to the community: Concept of Community-based Business'.

In 2003, we have started production of Campbell Early sparkling wine. I would like to conclude my presentation by sharing with you how our passion has been embodied in the labeling of this product.

With the hope of one's dream becoming everybody's dream, we have put down the phrase "A Dream Shared by All" on this label. Almost 50 years ago, one old man called Hyakuji Nagatomo started growing grapes despite the unkind word of others: "see the fool planting trees in the rice field." Yet this grape cultivation spread across Tsuno Town, passed onto our fathers, and eventually they managed to make their dream of building a winery come true. It is our wish to weave a new tale from this winery, and to spread our dream to share with the community.

Session 1-2 Mr. Komkrit Borriboon: “The Heritage of Bamboo –Development and success story at Phanat Nikhom –”



Lao settlement



In 1898, during the reign of King Rama III of the Chakri Dynasty, the Lao community from Sengkhao settled at Phnom Mithon.

weaving skills
Skills of Laos are visible to Thai in general.



Chinese arrival




In 1899, the Chinese from Chachoengsao Province moved to as well.

weaving skills
Chinese lantern is an example of skill deriving from their ancestors.



Integration of Races



1898, Lao settlement
1899, Chinese arrival
Diversity of weaving skills

In 1906, during reign of King Rama V, Phnom Mithon was awarded to Chonburi Province as an Amphoe (District).

Diversity of race is the heritage of Phnom Mithon. Nowadays, we still celebrate these integration.

"Don't Forget Lao"

Celebration of Thai, Lao, and Chinese people living together in that a Subban.



SUPPORT Foundation



"The Foundation of the Promotion of Supplementary Occupations and Related Techniques of the Ministry (Queen Sirikit) of Thailand" (SUPPORT)

The Foundation



It is founded by Her Majesty Queen Sirikit of Thailand in July 21, 1976.

It aims to help farmers, who comprise about 60% percent of Thailand's population, because income derived from agriculture usually dropped in the weather conditions.

At the same time, Thailand has a rich history of beautiful arts and crafts, but the cultural heritage is disappearing rapidly because of the economic and city conditions of modern life.

Objectives of the Foundation



- To create opportunities for poor farmers and their families to earn additional income on regular basis, independent of climate condition, thereby improving their quality of life as a whole.
- To preserve and revive the living arts and crafts of Thailand, with emphasis on encouraging skills of the very best quality.

BAAN KHUEN PRANEE & THE LOCAL

Story




In the past, people made bamboo baskets for use in their daily life after harvesting and used excess to make in Phant Nakhon district.

They locally made delicate pottery products. The expertise fade through the years.



In 1970, the SURKOR Foundation had a project to create delicate skills of bamboo weaving technique in Eastern Region of Thailand, especially Phant Nakhon district.

Mrs. Pranee Benjawan



Mrs. Pranee Benjawan 1916-2000

- At that time, Mrs. Pranee was a wife of Phant Nakhon Municipality Mayor.
- Her works are:
 - To better artwork & restoration of bamboo basketry in the area.
 - Collectors awareness of the living skills and abilities of the SURKOR's project in the local.
 - To encourage young people to practice with skills in their families.
 - To create the foundation SURKOR Foundation.



In 1983, she established a learning center and founded a group of women to work at her place in Phant Nakhon Municipality.





Members working with their groups at their home or local businesses.

Management & Cooperation

We deeply started our group working with our objectives from the UNPOBT Foundation:

- Preserve traditional skills
- Provide extra income for people

Members & Their expertise

FULL-TIME (20 members)	PART-TIME (~100 members)
From various families	From various families
Works at home & local business	Works at their homes at each location
All have skills needed to make our products	Each has different skills from location to location
Paid by Quality wages + extra work by piece	Paid by piece



Administration & Responsibility

Full-Time leader members • Ethical processes • Quality Management • All staff responsibilities	<ul style="list-style-type: none"> • Wage is based on members' responsibility, and skills • Piece is based on working sites & responsibility • All members are conduct on their working
Full-Time leader members • Product responsibility • Quality control (Manufacture & Sales)	
Part-Time member are • Production & delivery & sales	

Progression

From the start, we focus on our objectives:

- Tradition of shapes (to preserve the heritage)
- Common products (to provide jobs for people)

Products	100%
Tradition	100%
Common	100%

Traditional products
Mainly done by one generation

Common products
Diversified by various people

The 1990s

In 1990s, we responded to customers' interest

- More quantity selected
- More market centers

Products	1990s	1990s
Tradition	30%	20%
Contemporary		20%
Common	40%	30%
Innovation & Home Decor		30%

Quantity oriented products
Opened several markets

Innovation & Home Decor
Tied with other market centers

Lessons learned

Common

More quantity & low variety

Effects

More direct products
More stocks to sell
More price competition

For development into the future, we turn around

More variety & low quantity

More durable products
More market segments
More advantage

The 2000s

In 2000s, we try to explore & further

- More tradition + **Innovation**
- More international market centers

Products	1990s	1990s	2000s
Tradition	30%	20%	30%
Contemporary		20%	20%
Common	40%	30%	30%
Innovation & Home Decor		30%	20%

Traditional knowledge
+ **Non-accept**





Q & A for Session 1

To Mr Obata:

Question 1

I understand that Tsuno Wine is a third sector company, a joint venture by the municipal and private sector. What are the difficulties involved to sustain the continuity of the products in a third sector business? You purchase your grapes from grape farmers, but how long can this go on and how do you maintain the grape superiority?

Answer 1

It's a delicate issue. There are problems such as the flagging price of grape, and the aging of the farmers. Meanwhile we wish to reduce the cost. We are thinking of cultivating the grapes ourselves in the future, but finding the right balance is the difficult part.

Question 2

How the soil was developed was very impressive, the comprehensive development process that you have gone through. What did it take, and how long, to develop the soil suited to wine making? Have there been any setbacks?

Answer 2

Actually a personal friend who runs a top-notch winery helped in the development. According to him, it's possible to change the soil in one week, because unlike other crops, grape roots in Japan are active only a few several centimeters below the surface. However, compost must be put in actively to maintain it.

To Mr Borriboon:

Question 1

Regarding sales, who are the customers?

Answer 1

We used to export to the USA and Japan, but now we focus more on the domestic market. The percentage is about 60% domestic, 40% or less exported. Now we are shifting from quality-oriented products to delicate-products; from products 1,000USD a piece to 100USD a piece.

Question 2

As OTOP is a government initiated project, so far as their role in their projects in Tambons, are there any constraints or interventions from the government with your project? Because from the key note speech, I understand that partnership with the government is very important.

Answer 2

Actually the support for our project came from the Foundation as a private sector, and not directly from the government. The government helped in providing knowledge and modern technology etc such as dying, machines, and so on.

If there is a problem, it's with competition. For example the government wants to introduce OTOP maybe too fast for all the Tambons to have their own product. Some of them need more time. As a result, half of the bamboo basket makers initiated under the OTOP have already vanished. Instead of showing their heritage, they just kept following the market, which may be why they failed. Handicraft is like walking; if you start walking by yourself, no body will help you. To pursue a heritage is to walk behind the person in front of you- then you would not overrun them.

Question 3

1. Who is the owner and members of the company?
2. To whom does the property right of the designs belong to?

Answer 3

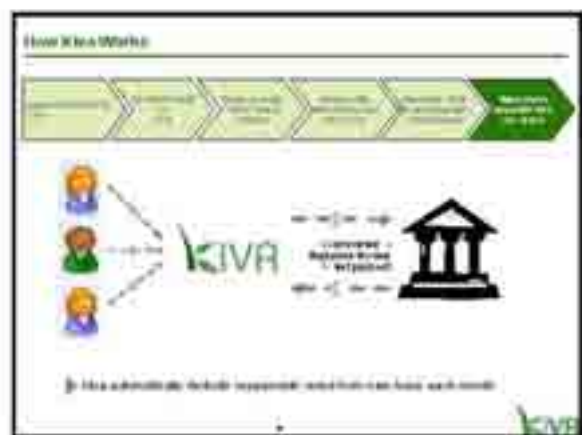
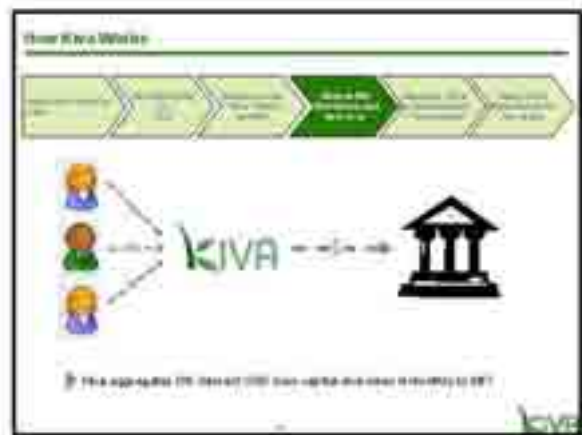
1. I have sole ownership, but I'm also only one of the key members of the company for the actual management work.
2. I am responsible for all the design and sales.



Session 2: Assisting the development of local cottage industries

Session 2-1 Mr. Aldi Haryoprato: “Connecting Microfinance Networks with KIVA Social Investors”





Key Metrics
Operating as the "High Growth" of Economic Trends

- Average sales per unit each day = \$200
- Average price per unit each day:
 (200 Aug 07) = \$30,000
 (200 Oct 07) = \$31,500
- Average # of orders each day:
 (200 Aug 07) = 444
 (200 Oct 07) = 1,388
- Average number of units in 1 day = 88,000
- Average cost per unit in 1 day = \$30,000 (+\$11,000/mo)
- Average # orders in 1 day = 1,388
- 10% of orders require extra after treatment
- Revenue from services = 70% of sales volume

Key Metrics
Business Strategy

- Total Revenue = 200M
- Profit = 20%
- Expense = 70%
- Average Loan size = 100,000
- Average Loan Term = 10-12 months
- App is 60% of total 20% of profit

Table of Contents

- 1. Introduction
- 2. Business Model
- 3. Revenue and Profit
- 4. Key Metrics
- 5. Summary

Key Metrics
Operating as the "High Growth" of Economic Trends

Netflix Revenue Growth: 20% YoY	YouTube 200M Revenue	Google Revenue Growth: 20% YoY	Yahoo! Revenue Growth: 20% YoY
Amazon.com Revenue Growth: 20% YoY	Microsoft Revenue Growth: 20% YoY	Nokia Revenue Growth: 20% YoY	BlackBerry Revenue Growth: 20% YoY
Apple Revenue Growth: 20% YoY	IBM Revenue Growth: 20% YoY	Oracle Revenue Growth: 20% YoY	SAP Revenue Growth: 20% YoY

Key Metrics
Operating as the "High Growth" of Economic Trends

Introduction of the book: "It's a journey that starts in 2004 and ends in 2014."

Introduction: How does it all begin? In the US, we are recovering with a lot of help from the government.

2008 and 2009: "It's a journey that starts in 2004 and ends in 2014."

The New York Times Magazine

THE WALL STREET JOURNAL

They've got 21,000,000 and a Facebook account: www.mh.com

CHMoney

Key Metrics
Business Strategy

The Average 60% in Five Years...

- Start with a budget for 70 months
- Invest \$100,000 in capital
- Payback \$50,000 in costs
- 115,000,000,000

Key's Risk Ranking System Averts Creating a "Glass Ceiling"

- 1 - 20% risk
- 2 - 30% risk
- 3 - 40% risk
- 4 - 50% risk
- 5 - 60% risk

Costing out Kiva's debt capital

Interest Rate Kiva Charges	2%	Comment: The 2% rate Kiva charges on all loan repayments is the explicit portion of their portfolio's ongoing cost. Another 1% charge may also be seen in the form of a 3% rate on non-optimized loan amounts.
Cost of a 30 Day Loan to fund more loans	27% - 2%	Assuming that the 2% rate is fully capitalized, the cost of a 30-day loan to fund more loans is 27% - 2% = 25%. The 2% rate is the cost of the loan to Kiva, and the 25% is the cost of the loan to the borrower.
Kiva's Cost Rate	1.2%	Adding in the 1.2% rate, the total cost of the loan to Kiva is 1.2% + 2% = 3.2%. This is the rate that Kiva pays to the lender.
Kiva's Funding Cost	1.2%	Adding in the 1.2% rate, the total cost of the loan to Kiva is 1.2% + 2% = 3.2%. This is the rate that Kiva pays to the lender.
Kiva's Cost of Funds Charge	-0.1%	At the end of the year, Kiva's cost of funds charge is -0.1%.

Kiva's Risk Model provides an overview to improve transparency

Inputs

- 1) Self-reported 30 Day
 - Operational Age
 - Debt Loan Portfolio (DLP)
 - Overall Portfolio Size (OPS)
 - Operational Net Portfolio (ONP)
 - Repayment Rate
- 2) Analyze 30 Day
 - Funding Risk Score
 - Debt Aging Score
 - New Asset Ratio
 - Repayment Evaluation
 - Quality Under Scrutiny
 - Market Metrics
- 3) 30 Day Performance on Risk
 - Total Outstanding 30 Day Loans
 - Return on Loan
 - Risk Factor / Default Coverage
 - Duration of Portfolio
 - Performance Ratio / Portfolio

Outputs

- 1) 30 Day Score on Kiva's site

Scorecard Information

Operational Age	1.0
Debt Loan Portfolio	1.0
Overall Portfolio Size	1.0
Operational Net Portfolio	1.0
Repayment Rate	1.0
Funding Risk Score	1.0
Debt Aging Score	1.0
New Asset Ratio	1.0
Repayment Evaluation	1.0
Quality Under Scrutiny	1.0
Market Metrics	1.0

Weekly Forecasting Data

Table of Contents

- 1) What is a loan portfolio?
- 2) How to measure loan portfolio
- 3) How to measure loan portfolio risk
- 4) How to measure loan portfolio performance

Case Study: MICROFIN (Togo)

Weighted Avg. Total 30 Day Score (Capital Based on the Avg)

30 Day Score	460,000
Total Loan Portfolio	200
Total Loan Capital Portfolio	200,000
Average Loan Size	1000
Average Terms Paid to Loan	1.0%

Qualitative Risk Metrics

- 1) The portfolio of 30-day loans is growing steadily and is a good indicator of the overall health of the portfolio.
- 2) The growth of the portfolio is a good indicator of the overall health of the portfolio.
- 3) The growth of the portfolio is a good indicator of the overall health of the portfolio.

Case Study: AFSP (Mexico)

Avg. (AFSP) network: Total Capital Based on the Avg

30 Day Score	460,000
Total Loan Portfolio	200
Total Loan Capital Portfolio	200,000
Average Loan Size	1000
Average Terms Paid to Loan	1.0%

Qualitative Risk Metrics

- 1) The portfolio of 30-day loans is growing steadily and is a good indicator of the overall health of the portfolio.
- 2) The growth of the portfolio is a good indicator of the overall health of the portfolio.
- 3) The growth of the portfolio is a good indicator of the overall health of the portfolio.

Kiva Case Study: AFSP (Afghanistan)

30 Day Mission Statement: To provide high quality and fair priced savings and loan products to our clients, which will improve their economic situation and improve their quality of life.

30 Day Score	460,000
Total Loan Portfolio	200
Total Loan Capital Portfolio	200,000
Average Loan Size	1000
Average Terms Paid to Loan	1.0%

Qualitative Risk Metrics

- 1) The portfolio of 30-day loans is growing steadily and is a good indicator of the overall health of the portfolio.
- 2) The growth of the portfolio is a good indicator of the overall health of the portfolio.
- 3) The growth of the portfolio is a good indicator of the overall health of the portfolio.

Table of Contents

- Welcome and overview of Kiva
- About Kiva.org
- Overview of Kiva.org opportunities
- Ask Questions
- **Financially Responsible and Smart Investing**

Does Kiva make financial sense for my MFIT?

Checklist

Someone on my MFIT can:

- Digitally photograph photos
- Communicate via email & access the Internet regularly
- Speak English or Spanish

My MFIT can:

- Legally accept US dollar payments & foreign funds
- Managing foreign exchange risk

Next Steps for Partnering with Kiva

MFIT Success & Key Steps	Key Role
1. Complete and submit the application	MFITs get listed and receive an on-line application dashboard and dashboard
2. Submit and complete the Kiva.org application	MFITs responsible to provide and upload to MFIT.org (1) needed
3. Agree on the MFIT team: MFITs determine to who & what photos	MFITs get all photos approved on-line (only MFITs have a decision on photos) done
4. Launch & go live on Kiva.org	MFITs get the MFIT.org listing done
5. Accept and manage donations and loan program administration	MFITs responsible to monitor the platform and work with MFIT to manage and receive funding done

* Your MFIT is invited to partner with Kiva.org by creating a Kiva.org account on our website: kiva.org/partner

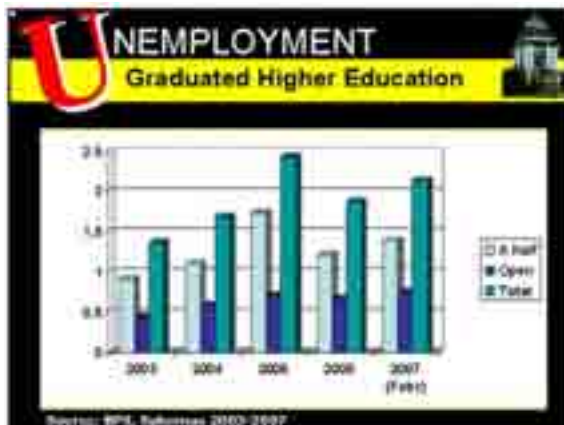


Session 2-2 Dr. Lilik Setyobudi: “Soft Loan Scheme for Local Industry by Academic Sector: Brawijaya University Experience”



BACK GROUND

- Numbers of University Graduate Unemployment
- Entrepreneurship Education since 1998, however most graduate is job seeker instead of job creator
- UB as Public University is expected must be response to the regional economic development for poverty alleviation
- To improve soft skill of students



- ## Profile Micro-SMEs BI 2005
- Most does not officially registerd
 - Most does not willing to get loan from commercial bank because of many reasons:
 - SMEs did not like such bureaucratically procedure of commercial bank
 - Too high loan interest for micro-SMEs
 - Lack of business management & **not bankable**
 - Production technique in efficient & no standardize



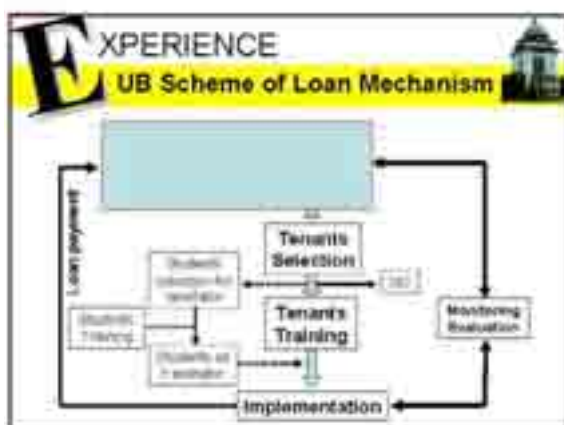
- ## EXPERIENCE UB Business Incubator
- Started in 1998, in collaboration with Government Primer Investment Bank PT Danareksa (1-3% profit for corporate social responsibility) – retooling project
 - Selection Mechanism Process (\pm 10% selected)
 - Training for the tenants by UB
 - Soft loan 3-6% interest/year (bank >12-16%) for 24 months period

- ## EXPERIENCE UB service type 1998-2006
- **BUSINESS MANAGEMENT SERVICES**
 - Training and Education on organization, entrepreneurship, finance, communication, etc
 - Research and Consultant on marketing, market information etc.
 - Business Networking
 - **TECHNOLOGICAL SERVICES**
 - Technology improvement, innovation of product
 - **FINANCIAL AND CAPITAL DEVELOPMENT**
 - Financial access/assistance/soft loan, monitoring & analysis, investment, accounting, etc.





- ### EXPERIENCE
- #### UB Scheme of Loan
- Source of loan is coming from Corporate Social Responsibility (CSR) Funds of GOI enterprises (1-3% of profits)
 - Loan interest is 3-6% depending on the value of loan.
 - 4 month grace period - Fifth month start paying (Loan+Interest)/50
 - Rp 240-900 million/\$ 28,000-100,000 per year or Rp 5-50 million per tenant (Rp 9,000,- = \$ 1)
 - 46-47 average of tenants per year
 - 2 times training per year for different groups 20 students participating as multiplying effect
 - Monitoring once per year site visit and twice per month phone call



- ### EXPERIENCE
- #### UB Benefit during 1998-2006
- UB got benefit based on the agreement with the lending agent
 - UB got 70% from rate of loan interest for operational management or UB got 10% of the total value of loan per periodic (usually every Rp 400 M, but the particular bank will receive the total loan interest (3-6%))
 - Networking (PT Danareksa, Demandri Foundation, Bukopin Bank, BAK 46, Dept of Agriculture), Telkom, NGOs
 - 50% rate of success, Success Women SMEs > Men SMEs (± 30% under performing loan; ± 10% non performing loan)
 - Effective way to improve students soft skill

EXPERIENCE
GOI enterprise benefit

- **Type of CSR activities:**
 - Partnership program & Environmental responsibility (mainly for SMEs development)
 - Technical guidance to enhance partner's skill
 - Managerial aspects
 - Product technology quality control
 - Standardization
- GOI enterprises might do their job more efficient and University might train their students soft skill more effective

EXPERIENCE
Improvement 2006-2007

- Methods for facilitating using COBLAS that the effectivity already validated during pilot study in collaboration UB with Waseda University, AsiaSEED, and sponsored by JBIC
- Improvement of curriculum, give one chapter success story of applied entrepreneurship in every possible courses in UB
- June 2, 2007 UB has declared toward Entrepreneurial university
- Strengthening the role of UB since 2005 as center for Business Incubator among 22 universities networking member of University Business Incubators

EXPERIENCE
University of Brawijaya Business Incubator and Public Services

UBBIPS

Coordinated by

Entrepreneurship Education Center Business Incubation Center Business Center

EXPERIENCE
Some picture of activities

EXPERIENCE
Some picture of activities

EXPERIENCE
Some picture of activities



Session 2-3 Prof. Takeru Ohe: “Town Development by Industry-Academia Collaboration”

The Second
APEC “One Village One Product” Seminar

*Town Development by Industry-
Academia Collaboration*

October 24, 2007
Prof. Takeru Ohe
Waseda University, Japan

Table of Contents

- Entrepreneurship Course for MBA/MOT Program, Waseda University
- Agreement between Sumida-ward, Tokyo, Japan and Waseda University
- Five Growth Strategies for SMEs
- Application to Hamano Manufacturing K.K.

Prof. Takeru Ohe, Ph.D.
Waseda Business School
tohe@waseda.jp

- Focus
 - Experimental Management
 - Corporate Venture, Entrepreneurship
- Academics
 - Ph.D. in Experimental Plasma Physics
 - MBA, Columbia Business School
- Credentials
 - Board Member – Cognex K.K., Syswave K.K.
 - Author – Books/Articles in Corporate Venturing/ Entrepreneurship/Entrepreneur Education
- Projects
 - Entrepreneur Education for Regional Development
 - Director of Waseda Incubation Center



Waseda University

- Established in 1882
- Third largest university in Japan
- Motto: independence of learning
- Waseda University Business School from 1998
- MBA and MOT
- NTU-Waseda Double MBA

Waseda MBA/MOT Students

- Average age is around 30 years old with several years working experience in technology companies
- Courses are offered every week nights, Friday, and Saturday for MOT students
- 50 credits required with master thesis for two years

Entrepreneurship Course at Waseda Business School

- Entrepreneurship is the semi-required course
- No test, but term projects:
 - Business plan for technology seeds
 - Consulting for SME
- Consulting Based Learning
 - Make companies profitable.
- Teach five growth strategies

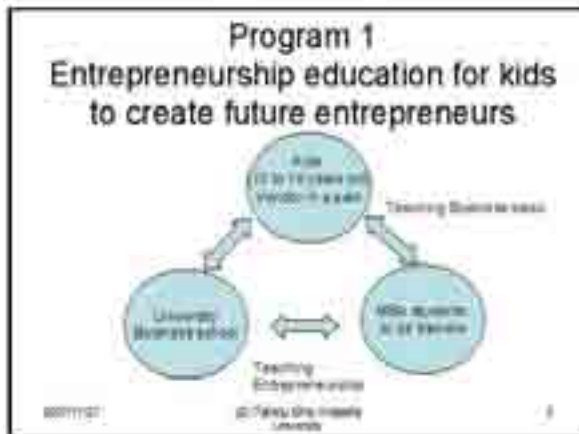


Comprehensive Agreement between Waseda University and Sumida Ward, Tokyo

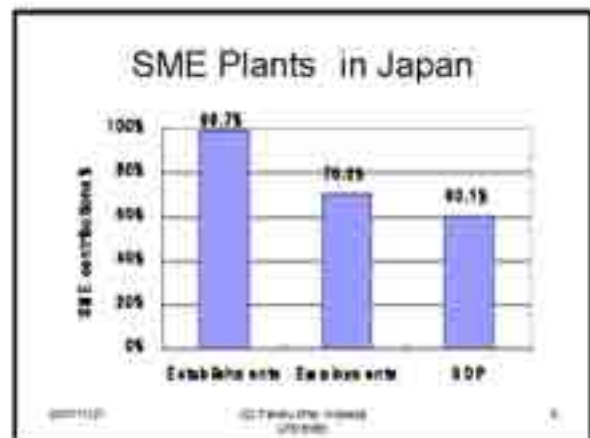
On Dec. 25, 2002

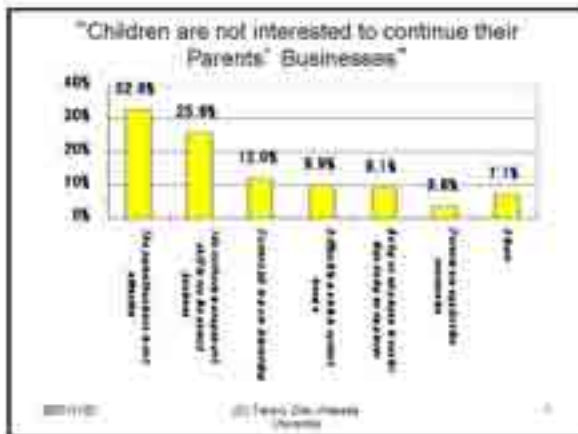
-Sumida ward was the only ward in Tokyo without any university campuses. Sumida ward wished to work with young people like university students to revitalize the town.

-Sumida ward built their own incubation center to promote collaboration with universities.



- ### Definition of SME in Japan
- SME
 - Manufacturing company: less than 300 employees, or less than capital 300 Million yen
 - (Retailing company: less than 50 employees, capital 50 million yen)
 - Micro Business (unofficial)
 - less than 20 employees





Problems of Metal Processing Industry in Japan

- The industry consists of mainly SME companies
- Experienced decline in both numbers and sales during the last ten years
 - Customers shift to overseas operation
 - Competitions with low-price overseas companies

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Objectives of the Term Project

- To make a breakeven company to a profitable company within a short time
- To develop a vision and a growth scenario for micro-company to IPO

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Hamano Products, K.K.

• 20 employees company
 • 200+ hours per week (weekend operation) and 10 consulting

What shall we do as a successor?

The second-generation owner had a desire to introduce new management approach

© Tokyo Daigaku University



Why did they seek University collaboration?

- They could not afford a professional consulting firm
- There are not many consulting firms that cater to SMEs. They mostly go for the large companies that are more profitable
- They were doing okay, but they worried about 10 years from now, and wished to have fresh ideas from a fresh set of eyes to change their inbred traditional perspective
- Involvement of young people would energize the company

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Observation at Hamano Products K.K by MBA/MOT Consulting Team

- Orders increased by far, used good
- Small lead time
- Limited employees on hand staff
- Make-to-stock production
- Short stock order
- High turnover of production, no inventory accumulation
- High customer loyalty (7% in 19%)
- Limited employees can be paid low
- Recruitment
- No standard delivery method
- No cause analysis of failed to receive an order
- No standard and strict instructions
- No performance management
- A steady year result
- Unstable time payment to suppliers & monthly salary
- Only long-term employees

00011101 007 Takashi, Shiroki, Uemura 7

Five Growth Strategies

	Level	Strategy	Strategy Tool
1	Customer	Transform the customer's experience	Consumption chain analysis
2	Product and offering	Transform the offerings	Attribute mapping
3	Key/Value	Redefine joint offers	Port of business analysis
4	Industry and/or	Exploit industry shifts	Industry and/or structure
5	Emerging opportunities	Enter new markets	Future 10 years framework

WorldBusinessCenter 2013 The McQuinn and/or McQuinn
00011101 007 Takashi, Shiroki, Uemura 8

Strategy 1 Improving the customer experience with the offerings

- The home page was designed to help large company engineers complete the order purchase transaction-including researching, price negotiation, and delivery – online.

00011101 007 Takashi, Shiroki, Uemura 9

Strategy 2 Improving Product Offering

Main customers: Large manufacturers directly		
Noncompetitive	Differentiation	Better
Fast and accurate delivery, accurate delivery and high quality. Order: 0074000	Introducing the solution to the specific customer	Fast and accurate delivery
Value	Differentiation	Strong
High price	Limited technology base	
No Profit	Profit	
Process and delivery of employees	0074000	

00011101 007 Takashi, Shiroki, Uemura 10

Strategy 3 Modifying the Business Unit

- From the sales of metal processing work to the sales of assembly finished products and consulting fee from consulting work.
- Change of a very low profit rate of metal processing work to higher profit rate of consulting and assembly work.

00011101 007 Takashi, Shiroki, Uemura 11

Strategy 4 Taking advantage of industry shifts

```

    graph TD
      A1[Customers are moving out of Japan] --> B1[Reducing BOM to lower various technology and cost cutting]
      A2[Severe competition in Japan (unstable orders in Japan)] --> B1
      A2 --> B2[Feasibility create assembly, customers, and assembled works]
      A3[SMC and other companies are closing the business] --> B2
      B1 --> C[Working partner for assembling]
      B2 --> C
  
```

00011101 007 Takashi, Shiroki, Uemura 12

Strategy 5 New Business Opportunity

- New materials such as titan, magnesium, and ceramic through academic-industrial alliance
- New mold technology through academic-industrial alliance.

08/11/07

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3

2005 Fall Hamano Products K.K.

- Implemented strategy 1 and strategy 2 for the last two years
- 4.0 M\$ with 15% ROS
- Cut overwork substantially
 - Cut damaged works
 - Start monthly closing
 - Start small group meeting
 - Establish job estimate standard
 - New customers which are large companies
- Preparing strategy 3 and strategy 4

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2007 Fall Hamano Products K.K.

- Seven interns from Waseda University, Hitotsubashi University, and etc
- 33 employees
- Corporate Development and Planning division
- High technical skill in laser processing
 - CAD/CAM system for direct input from DXF and 3D
 - Newest laser processing equipments
 - Press techniques to adapt large quantity order and small order
 - Fast delivery and inspection system
- ISO14001 obtained in 2006 October
- ISO9001 under application

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From Micro Company to Growth Oriented Company



MOT/MBA Students upon Graduation

- MOT/MBA graduates started two consulting firms to support SME and Micro companies
 - Waseda Business Partners, K.K.
 - Waseda Revival Partners, K.K.
- Their business models are to get consulting fee as well as success fee.

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A win-win-win-win situation (1) SMEs

- Free but expert consultancy service
- Professional advice on technology through the engineering faculty
- Future collaboration possibilities with the engineering faculty
- Use of university network
- Free advertisement to MOT/MBA students, who are potential customers in the future

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A win-win-win-win situation (2) Student

- First hand experience in applying their newly acquired management methods and knowledge to the real cases
- First hand learning on SMEs
- Expand their network
- Participation in social contribution

A win-win-win-win situation (3) University

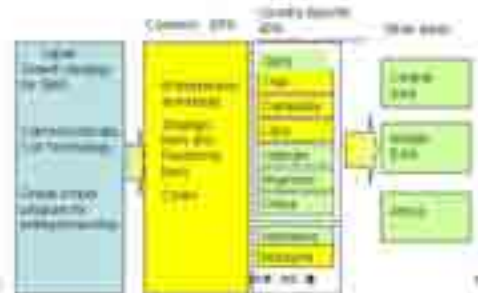
- Social contribution to the local development
- Advancement of the research on SMEs
 - Solving problems though collaborate with SMEs

A win-win-win-win situation (4) Municipality

- improvement of industry, revitalize area and more tax revenue
- New technological advances through collaboration using their incubation center
- Attract younger generation to the region, revitalizing the area
- Stronger bonding between generations, making a more stable society

COBLAS (Consulting Based Learning for ASEAN SMEs)

–Entrepreneurship Education for the Regional Development–



Tricycle Model to Create Entrepreneurial Society



Session 2-4 Ms Kazuko Kano: “Road Stations: Local Industry, Tourism, and Rural Women’s Empowerment”

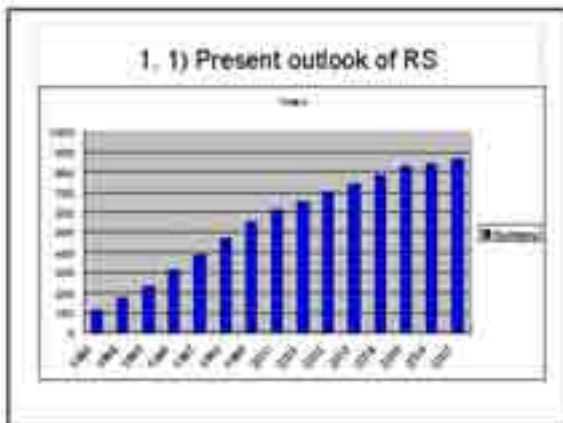


Road Stations: Local Industry, Tourism, and Rural Women’s Empowerment

APEC/SME Seminar on Support for Local and Cottage Industries: 2nd OVOP Seminar
07/10/24 Fukuoka Kazuko Kano (UBC)

Contents

1. OVOP and Road Stations
2. Impacts of road stations on local industries and tourism:
 - 1) network: City Pref. "Toro" network
 - 2) local industry promotion: Yamanashi pref. Road station Toyobomi
3. Impacts on rural women’s empowerment:
 - 1) provide opportunities for women’s employment, income and empowerment



4) 3 Functions of road stations

1. **Easy**

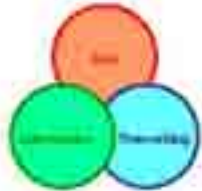
For road users & local people

2. **Informative**

For road users and local people

3. **Networking**

provide opportunities for local people & visitors to join together while working to develop their communities



4) Additional Functions: Local industry promotion, Tourism promotion, Rural Women's empowerment, etc.



2) Impacts of road stations on local industries & tourism

① Network: Gifu Pref. Tono network, 10 stations.
On-site activities, 6000 monthly experiences, tourists



② 'Tono network': Sazubo with the art museum, tourists



③ Goboku-no-yakata: known for good quality trees & timbers; weaving experiences, tourists



'Kashimo', famous for tomatoes



④ 'Hana-kaido Tsukuechi', Nippon for flowers



To sell what the area do not produce (oranges/food, Bline)



2) Local industry promotion: RS Toyotomi, Yamanashi Pref.



Road station as a nuclear of the area:

'Toyotomi', Yamanashi



Vegetables corner: before & after 1)



OTOP:
sweet corns, boiled corns



Q & A for Session 2

Question 1

1. Regarding KIVA, it is a very interesting system, but I wonder how you cope with the legal aspects. How do you ensure if the MFIs are legal or not?
2. What is the interest rate charged by the MFI to the borrower?
3. Regarding the presentation by Prof Ohe, the issue of Industry-university collaboration is important for SMEs, but I think it would be difficult to implement in Indonesia. How do you organizing industry-academia collaboration in Japan?
4. The presentation on Road stations was very interesting. How do you promote entrepreneurship in women?

Answer 1

1. It's true that the legal side is rather complex. Many of the MFIs do not have a legal status, because there are many economies where concerned laws are lacking. KIVA requires them to submit their registration documents and a referral.

We get a few hundred applications, and we only accept about 1% of them. We go through a rigorous application process to decide their authenticity. Their application is audited by a financial statement, and we ask the MFI to use the MIX market database, etc. Since a year ago KIVA also has a volunteer-based fellow's program where an expert works with the MFI for perhaps 3 weeks, or the regional coordinator will visit and train them how to use the KIVA model.

2. Regarding the interest rate charged by the MFI to their borrowers, we know it is very high, like 20% per year. We are trying to reduce this, and it should decline through the years. The reason KIVA charges 0% is due to tax regulations in the USA.
3. Actually in Japan, they say that industry-academia collaboration is not possible, because the university's engineering faculty tries to do everything themselves, and force their knowledge onto the SMEs. Therefore business schools are better partners in implementing these projects.
4. The Ministry for a long time did not acknowledge the importance of women although 60% of the farmers are women. They started to realize their potential in the 90s. In 1999 the basic agricultural law of Japan was revised, and according to article 26, for the first time legally, women's part in agriculture was recognized. It is helpful to provide market places such as roadside stations for these women.

Prof Ohe: Waseda University holds the second largest number of women of all Japanese Universities. We are also starting an entrepreneurship club for women, a first one of its kind.

Question 2

1. Regarding the system of KIVA
 - (1) How do you make money for your operation?

- (2) Please explain further the transaction system, as it was rather complicated.
2. Regarding the collaboration projects between industry and university, how many students support one company, and how long are they involved in the program? Are they undergraduates, or graduate students?

Answer 2

1. From KIVA:

- (1) We earn our revenue through an optional fee (equivalent to 5% of their loans) from the lenders payable to KIVA. The lenders can choose to make donations in addition to their loan. This way, 100% of the loan from the lenders will be given to the borrower.
- (2) We try using a particular method to cut down on the transfer fee, but some economies regard it as being in conflict with their money dumping laws. We get legal counseling for our activities to make sure we observe all laws.

2. Prof Lilik: It used to be 1 undergrad-student per 1 SME, but this was too stressful for both parties. Now we have 3 undergrads for 1 SME, and they have 3-6 months depending on the situation. The first step is to increase sales. If the SME feel they benefited from the student, the next step is easy, such as design new models, catalogs, websites, sanitary issues etc. We have undergraduates and newly graduated students participating.

Prof Ohe: The activity is for 1 semester = 4 months = 16 weeks; once every week x 90mins. They take 4 months to finish a business recommendation. Their reports are usually very good.

Question 3

Do you need any qualification to join the industry-academia collaboration program? Is it part of the curriculum?

Answer 3

You don't need particular qualifications, just whether you have interest or not. It's not part of the curriculum, it's a voluntary activity.

Question 4

What is the best location for Road stations?

Answer 4

To avoid competition, you don't build one near another. It is also important to be a convenient location.

Question 5

The idea of teaching entrepreneurship to young people was very interesting. What problems do you have in transferring knowledge in entrepreneurship? Because from my experience, it is difficult to change how people think and to get students interested in "entrepreneurship". How do you heighten and maintain their motivation, and what is the success rate?

Answer 5

Prof Ohe: Children are very good at absorbing entrepreneurship education. You can see that after 3-4 times that they start becoming very entrepreneurial. I don't actually teach "entrepreneurship", but just give them the opportunity to fail, and then teach them how to recover from failure. Usually in Japan they only teach you how to avoid failure.

Prof Lilik: In our program, of the 23 participants, 5 are young lecturers. Training of student is easy, but the lecturers are difficult. Therefore we put them in the same class. The students tend to be the most active, and the lecturers learn from them.



Exhibition of traditional arts, crafts, village products from the participating economies



Day 2: 25 October, 2007 (Thursday)

Field Trip

Overview of Community Development in Oyama-town

Introduction

Situated in western Oita Prefecture and bordering on Fukuoka and Kumamoto prefectures, Oyama-machi is a small hilly leaf-shaped district measuring 6 km east to west by 10 km north to south. Forty-five years ago, the then poverty-stricken village (Oyama Village) kick-started its long transformation by launching the so-called NPC movement. In 1989, the village administration came to an end after 80 years of existence, replaced by a town administration (Oyama Town).

On March 22, 2005, Oyama Town became a district of Hita City as a result of a wide area municipal merger. (Although Oyama-machi is more like a super-district as it contains all the sub-municipal districts of former Oyama Town, which are now sub-municipal districts of Hita City, it is referred to as a “district” here for the sake of simplicity.) Former Oyama Town was 45.72 km² in size and had 1002 households, including 535 farm households, with a population of 3640 (as of October 1, 2004). With the combined area of actual cultivated land (paddy fields, upland fields and land under permanent crops) only amounting to 240 ha (about 45 a per household), the district’s farming operation is very small scale.

In the mid-1950s, village development efforts aimed at turning poverty into affluence began under the guidance of then Village Mayor Harumi Yahata.

1. Historical Background of Community Development

November 1955 Mr. Harumi Yahata was persuaded to run for mayor following the death of the then village mayor from illness.

The population of the village stood at 6485 at the time.

[Reference Information]

Harumi Yahata (1912 – October 1, 1993)

Born to a forest landowner/brewer family.

1945 Discharged from military service after Japan’s defeat in World War II.

1954 Becomes the President of the Oyama Village Agricultural Cooperative.

November 1955 Becomes the Mayor of Oyama Village. <For 16 years thereafter, Mr. Yahata played the dual role of village mayor (later town mayor) and president of the agricultural cooperative.>

1971 Resigns as the Mayor of Oyama Town.

Oyama Village/Town benefited enormously from the presence of an outstanding leader like Mr. Yahata, although he used to say, "I'm a seeder, not a leader."

With hope and encouragement, he left the following words for the next generation: "I plowed dry land, fertilized it and seeded it. Now I want you to grow the seed to fruition."

Harumi Yahata was a person who tirelessly sowed seed in Oyama in the hope that, no matter how modest, it would sprout eventually.

The trace of his struggle to free the village from poverty and bring wealth to it as the top leader of village development can still be seen. In this process, he proposed a new farming strategy based on low-volume production and multi-product selling called "mukade farming", where "mukade" means a centipede, a creature with a small body and numerous legs.

"When we were kids, we used to run after a rainbow, but were of course never able to reach it, no matter how fast we ran. Likewise, our "utopia" is far away, and we have to keep running for it. After all, we are all rainbow chasers."

Having received valuable practical lessons from this "Yahata School", a number of young people are now passionately working on community development together. The district has produced many community development leaders in this manner.

- | | |
|-------------|--|
| May 1, 1957 | Oyama Village launches a cable broadcasting service (OYHK) as Oita Prefecture's first. <Second in the whole nation>
Mayor Yahata talked to villages for five minutes every day on a program titled "Let's Build Oyama into a Village Like This" to explore development models for Oyama Village. |
| 1961 | The NPC movement (First NPC Movement) is launched. <Pursuit of higher income>
NPC stands for "New Plum and Chestnut".
With plum and chestnut as main crops, the NPC movement was geared towards bringing about higher farm income.
Under the movement, seedlings were subsidized by the Village Government and 31 plum and chestnut instructors were trained. |
| 1965 | Second NPC Movement <Human resource development>
NPC stands for "Neo Personality Combination". |
| 1967 | "Let's plant plum and chestnut and go to Hawaii."
<This slogan became well-known throughout the country.>
The annual Hawaii tour continues to this day. Travel is financed with a loan from the agricultural cooperative, which is to be repaid over five years. |

- <The Oyama district boasts the highest rate of passport ownership in the country (70%).>
- 1969 Third NPC Movement < Development of a comfortable environment>
NPC stands for “New Paradise Community”.
- February 1969 The town system of government is introduced. (end of a village administration after an 80-year history).
- December 1969 Three young Oyama Town residents depart for Israel for a three-month study tour of kibbutzim. <Start of kibbutz training>

[Reference Information]

Kibbutz means “communal settlement” in Hebrew.

<A world-famous collective community that has developed in Israel>

A kibbutz is a collective community created under Zionist-socialist ideals. It is operated through cooperation and mutual help, rather than competition, and people do not receive any individual remuneration for their individual labor. In a kibbutz, production, consumption and daily lives are collectivized, and residents are guaranteed free access to the necessities of life. Originally, kibbutzim were primarily developed for agriculture, but are used for other industries, such as manufacturing and tourism, today. They even exhibit the characteristics of a local government. In Israel, there are about 270 kibbutzim, centering on the border area, and the number of kibbutz residents varies from 100 to 1000. <Kibbutzim are a result of Israeli efforts to build an environment that is as resistant to military invasion as possible based on its national security strategy.>

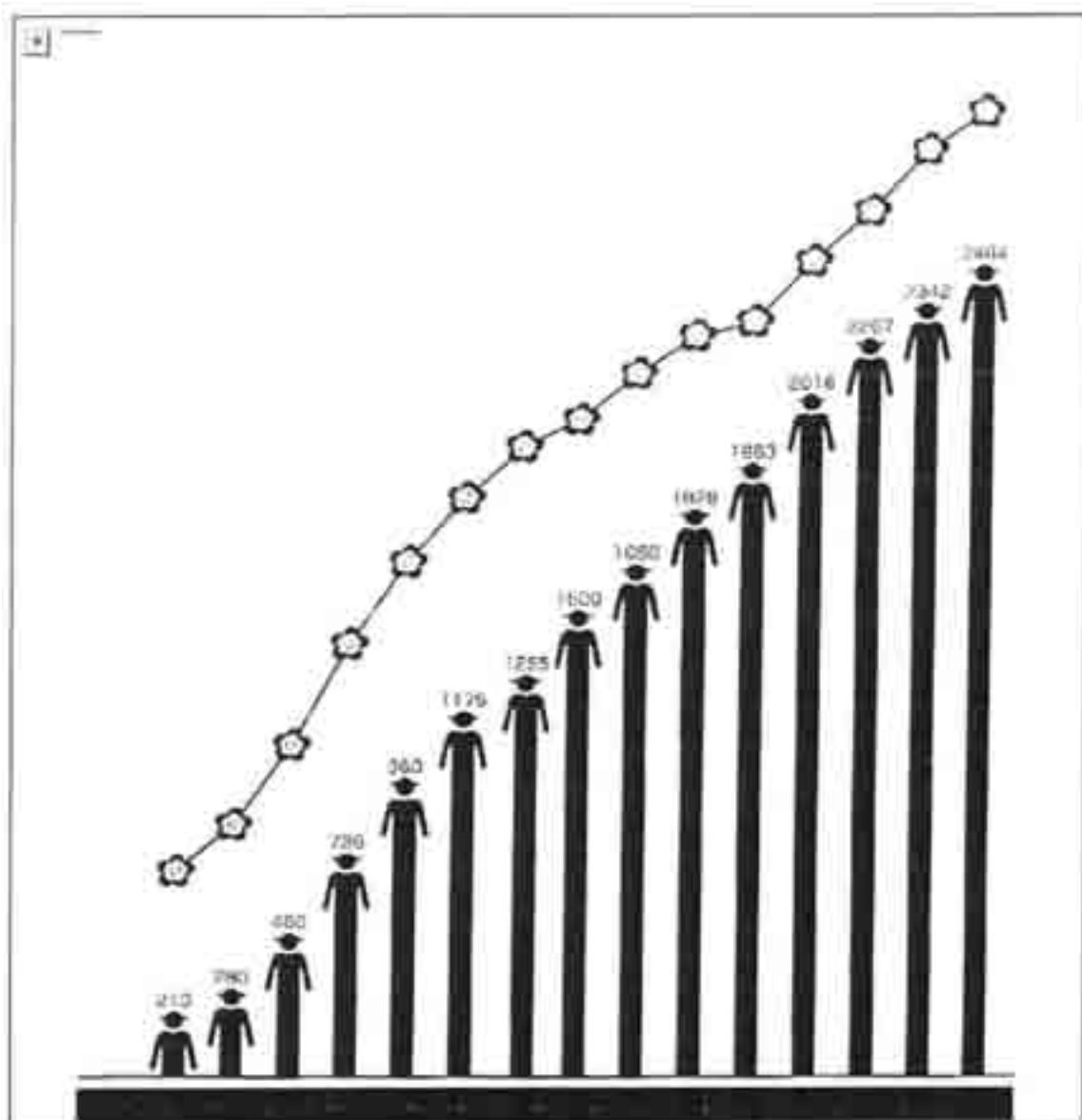
Processing everything we produce by ourselves. Former Oyama Town adopted a new development system based on the incorporation of a processing plant into a rural village, which was modeled after an Israeli kibbutz.

- February 11, 1970 On the first anniversary of the introduction of a town administration, Oyama Town signs a sister town agreement with Megiddo Town in Israel.
<Beginning of the internationalization of Oyama Town>
- 1971 Receives a model community designation from the Ministry of Home Affairs.
- 1974 Launch of the Let’s Learn about the World Association.
The association was formed mainly by young people who had participated in kibbutz training in Israel, which began in 1969.
- 1975 The Oyama Town Agricultural Cooperative begins importing honey from China.

- November 1979 Governor Hiramatsu of Oita Prefecture proposes the One Village One Product Movement.
- 1981 The First Plum Festival is held.
- 1987 The Oyama cable television service (OYT) begins.
Oyama Town took on the challenge of computerizing public administration.
- 1988 The Oyama Town Agricultural Cooperative sets up a joint venture company for honey with Wuxian, Suzhou, Jiangsu.
- July 1990 The Oyama Town Agricultural Cooperative opens a direct-sales store called "Konohana Garten".
- 1991 The National Umeboshi (Pickled Plums) Speech Contest is held.
This contest, which is held once every four years these days, is sometimes called the Umeboshi Olympics.
- 1995 The National Umeboshi Convention in Oyama is held.
Since this convention, a producer (female) in Oyama Town has been successively winning the Excellence Award.
- November 1, 2005 The Oyama Town Agricultural Cooperative (President Kinji Yahata) receives the Ministry of Public Management, Home Affairs, Posts and Telecommunications Award under the Outstanding Depopulated Area Independence and Revitalization Case Commendations in recognition of its efforts relating to Konohana Garten, a bazaar run by farmers belonging to the cooperative.

2. Characteristic Features of Konohana Garten

- 1) The farm product bazaar store, called "Nosanhin Bazaru-kan", puts the faces of producers on products
 - 2) Local production local consumption
 - 3) Processing and sale of locally produced farm products
 - 4) Incorporation of a restaurant called "Organic Farm", where farm dishes for treating guests are served
 - 5) 1.9 million customers
 - 6) Information transmission
 - 7) Pursuit of interaction with cities
 - 8) Improvement of farm income (sales ¥1.5 billion)
 - 9) Contribution to the invigoration of the community
- < See the diagram on the following page >



Address: 274-1, Oyama-machi Senjo, Hita City

Tel. 0973-52-3530

Hours of operation: 9:00-18:00 (Open daily excluding the year-end-New Year period)

Main facilities: A direct-sales farm product store that boasts a diverse 680 farm products supplied annually by farm households, a processed food and craft store that sells about 300 products, including jams and pickles based on plum, a local specialty, and a restaurant (The restaurant closes at 21:00.)

- Hita store (Hita City) 0973-29-0602
- Akeno store (Oita City) 097-553-1111
- Wasada Tower store (Oita City) 097-586-1111
- Tsurumien store (Beppu City) 0977-27-1313
- Mishjin store (Fukuoka City) 092-832-5140
- Nomaoka store (Fukuoka City) 092-581-1166

Homepage:
<http://www.oyama-nk.com/konohana/>

3. Gross Agricultural Production and Agricultural Income Produced in Former Oyama Town

Item	Year	1980	1990	2000	Unit	Remarks Ratio of 2000 value to 1980 value
Gross agricultural production	Oita Prefecture	148.8	179.6	152.0	1 billion yen	1.02
	Oyama Town	508	902	1,000	1 million yen	1.97
Agricultural income produced per farm household	Oita Prefecture	698	839	1,040	1000 yen	1.49
	Oyama Town	343	571	785	1000 yen	2.29
Agricultural income produced per 10a of cultivated land	Oita Prefecture	82	85	94	1000 yen	1.15
	Oyama Town	61	109	147	1000 yen	2.41

Although gross agricultural production struggled to grow in 2000 in Oita Prefecture as a whole in terms of a ratio to the 1980 value, Oyama Town enjoyed a healthy growth of 1.97.

Oyama Town registered equally impressive growth rates in agricultural income produced per farm household (2.29 vs. 1.49 for Oita Prefecture as a whole) and agricultural income produced per 10a of cultivated land (2.41 vs. 1.15 for Oita Prefecture as a whole).

Decades ago, a poor rural village relying mainly on forestry due to its very small combined area of actual cultivated land launched the NPC movement in pursuit of higher income. Since then, it has turned out numerous products, worked on a vertically-integrated primary and secondary industry operation (local processing of farm products) aimed at increasing added value, and pursued "mukade" farming (low-volume production and multi-product selling) and high profit farming.

Community development in former Oyama Town is inconceivable without the presence of its top leader (Harumi Yahata). Former Governor Hiramatsu, who proposed the One Village One Product Movement in 1979, once praised Oyama Town as the "Pioneer of Village Development" and stressed the importance of "human development as the key to a successful one village one product movement" by quoting community development efforts in Oyama Town.

Today, community development geared towards building an affluent and comfortable village continues to make progress in the Oyama-machi district (former Oyama Town) under the slogan chosen by the new generation of rainbow chasers (leaders): "Looking to the Future".

Presentation by Mr. Kinji Yahata on “Oyama Town Agricultural Cooperative”

Chairman of OITA-OYAMA Agricultural Cooperative

Mr. Yahata made a presentation on how Oyama town developed from a poor rural farming community to a very well-off one, now regarded a model case for successful rural activation.

He described the activities of the Oyama town’s Agricultural Cooperative, which include banking services, insurance services, marketing middleman, technical managerial supervision, small shops etc. However these are basic services provided by any agricultural cooperative in Japan. Their particular Cooperative also provides the following original activities:

- (1) A food processing plant, which started about 30 years ago. They purchase the raw materials and by processing it, add more value to the product.
- (2) Mushroom farming technology. Currently about 100 farmers are cultivating mushroom.
- (3) 20 years ago, they set up a direct-selling market, where the farmers are given the initiative and responsibility for the sales of their product. The farmers decide on the quantity, the unit, the packaging and the price. Now there are 8 such direct selling markets in the region, with total sales of over 18 billion yen a year.
- (4) 5 years ago, they started a restaurant, where they use the left-over raw materials from the direct-selling market. There are now 3 such restaurants in the area.

40 years ago, Oyama town was one of the poorest farming communities of the 59 towns and villages in Oita. The farming land in Oyama is in narrow strips making traditional farming not very profitable. The town invested a third of its annual revenue for 3 years on the development of local industry. After much research, they decided to focus their farming on products with a high profit margin: chestnuts and Japanese plums. Simultaneously they decided to grow a cash crop that will bring daily income, as chestnuts and Japanese plums will only yield harvest once a year.

So what kind of cash crop? The average size of a farmer’s land was 4000m². The natural environment cannot be changed, so they thought hard on how to maximize the profit that can be gained from the land’s natural resources, and they finally decided on mushrooms. Today, Oyama town has over 150 farmers who earn more than 10 million yen a year. It has become one of the most affluent towns in the area.

Mr. Yahata regards farming as an “intellectual industry”, where ingenuity plays a large role. HRD is especially important, because without ingenious people, you cannot expect to have prosperous farming. At the same time, having fun is also very important. It can be said that their policy is to play hard, to work hard, and to be ingenious.

Q & A for Oyama Town

Question 1

1. Regarding the food processing plant, how does it work for the members?
2. Are all products consumed locally? Are any exported, fresh or processed?

Answer 1

1. Some people do it themselves, the Cooperative use it for example to make jam.
2. All domestic, no export, and all raw. We sell them at approx a diameter of 150km-200km

Question 2

For the accounting, does each individual have their own account, or a common account at the Cooperative?

Answer 2

The farmers are self-accounted. The Cooperative may give tax advice, but we have no common account or management.

Question 3

1. Is there any special technology used to grow plant in a narrow strip of land? How did you manage it?
2. What is the merit of becoming a member of the cooperative? Does the Cooperative play any role in generating income for the members?

Answer 3

1. The farmers are used to growing their own crop, so they already have the general technology. For specific technology, the Cooperative helps them.
2. They get dividends from their investments (8%), and can use our facilities. Most of the farmers ask the Cooperative to become their middleman.

Question 4

1. What is the qualification to become a member? What are the obligations?
2. Do you receive any subsidies?
3. HRD- how do you keep in touch? Do you do regular training?

Answer 4

1. The qualification is that you own more than 1000m² of land. If you join the Cooperative, they receive 2 % of the sales, which actually does not cover our running cost. This is covered by other profits.
2. No, we don't receive subsidies. I feel that those who require assistance are not strong in their management.
3. We have specific members assigned for networking. We issue a monthly newspaper, hold regular study meetings, concerts for members, trip overseas etc. One person is specifically assigned in charge of organizing entertainment.

Question 5

1. Do you have any diversification plan for the next generation?
2. Do you have any other Agricultural Cooperative in the area?

Answer 5

1. I am thinking about it everyday.
2. No, we are the only one.



Overview on Community Development in Yufuin

Introduction

Until the mid-1940s, Yufuin was a small rustic hot spring area. In 1955, Yufuin Town and neighboring Yunohira Village merged together to create new Yufuin Town, whose Japanese kanji spelling was a hybrid of the two merger partners' names as it began with the "Yu" character taken from Yunohira Village, instead of the one that featured in old Yufuin Town. On October 1, 2005, Yufuin Town was involved in a wide-area municipal merger and became a district of Yufu City (Yufuin-cho). (Although Yufuin-cho is more like a super-district as it contains all the sub-municipal districts of former Yufuin Town, which are now sub-municipal districts of Yufu City, it is referred to as a "district" here for the sake of simplicity.) Former Yufuin Town was 128 km² in size and had a population of 11,402 (as of October 1, 2004).

Rising above the district as its symbol is Mt. Shuho Yufu (1584m), dubbed "Bungo Fuji" for its Mt. Fuji-like appearance, with the Yufuin basin, famous for its morning fog, stretching from the foot of it. Hot springs well up across the basin, and the combined hot spring discharge of the district is said to be second largest in the country.

Yufuin used to be a rustic hot spring area, which was totally overshadowed by neighboring Beppu, a major hot spring resort and entertainment area. The catchword of community development in Yufuin was: "Let's not become a little Beppu. Let's not become an entertainment-oriented hot spring resort."

Back then, community development leaders adopted "environmentally-friendly healing community development - a health and relaxation-oriented hot spring resort" as the guiding principle of community development.

Today, Yufuin is visited by a vast number of tourists (3.884 million in 2004), and is particularly popular with women.

Since October 2005, Yufuin has been the chief location site of a TV drama called "Kazeno Haruka", which is showing on the main Japan Broadcasting Corporation (NHK) channel, putting it in the national tourism spotlight.

1. Historical Background of Community Development

1970 The construction of a golf course in the Inosedo swamp, which spread from Yufuin Town to neighboring Beppu City, was proposed. A movement against golf course construction was launched to “protect these beautiful flowers”. The movement focused on the environmental issue of the protection of precious vegetation in the Inosedo swamp.

A questionnaire-based awareness strategy named “Questionnaire to 100 Local Dignitaries” proved successful.

The Association for Protecting the Nature of Yufuin was established under the Yufuin Hot Spring Tourism Association.

1971 The Association for Giving Thought to Tomorrow’s Yufuin, which was geared towards debating the nature and landscape of Yufuin as a community-wide issue, was launched.

Early June 1971 Three community development leaders left for Badenweiler, a German tourist town with a population of 4000, for an approximately 50 day-long study tour.

The travel, which cost ¥700,000, was paid for with a loan secured by nominating President Iwao of the agricultural cooperative as guarantor. The Town Government provided each participant with a 100,000-yen grant.

The three leaders were very inspired by the owner of their hotel in Badenweiler, who was also a member of the town assembly, and it is not an overstatement to say that those inspired moments made today’s Yufuin possible.

“For a town, the most important things are vegetation, space and tranquility. How much effort are you putting in to create, foster and protect them? You? You? and You?”

The faces of the three visitors turned red at the hotel owner’s question. It really fired them up.

Seven years later, they visited Germany again, this time as part of a two dozen-member group headed by the Mayor of Yufuin Town. The hotel owner, who was sick in bed, was delighted to see the three come back to his town with their colleagues. Filled with emotion, they recorded some of his words as follows:

“You kept your promise. You’ve started walking along a long road. ... It is important that as many people as possible have a look at other towns. They then need to meet the “earnest souls” who make those towns what they are.”

- 1972 The Association for Giving Thought to Tomorrow's Yufuin launched the One Cow Ranch Movement to help sustain local animal husbandry, which protected Yufuin's green fields.
<Information transmitted across the country.>
- In a bid to increase the number of cattle to help protect these green fields, the movement recruited urban residents as joint owners of cattle for 200,000 yen per investment unit, and sent them Yufuin's local specialties each year as a substitute for interest. (A hundred and ten people became owners.)
- July 1975 Horse-drawn cabs were introduced in Yufuin.
<In April 1975, the Great Central Oita Earthquake hit the area. As the premature image of devastated Yufuin tourism somehow got out, the Tourism Association scrambled to action to keep the tourism torch alight in Yufuin.>
- August 1975 First Yufuin Music Festival.
A "Concert under The Stars" was held. This later developed into the Yufuin Music Festival.
- October 1975 Barbecue and Shouting Contest.
- August 1976 First Yufuin Film Festival.
<Media coverage was actively sought to obtain maximum free advertising.>
- November 1979 Governor Hiramatsu of Oita Prefecture proposed the One Village One Product Movement.
- November 1979 A six-member Japanese taiko drum band called "Yufuin Genryu Daiko" was formed.
- October 1981 Yufuin was designated as a national health promotion hot-spring resort by the Environment Agency.
- November 1981 The Yufuin Hot Spring Tourism Association received the Outstanding Contribution to the One Village One Product Movement Award in recognition of its activities relating to the One Cow Ranch Movement. (Oita Prefecture One Village One Product 21 Promotion Commendation Program)
- March 1982 The Yufuin Film Festival won the Japanese Film Pen Club Award.

October 1982	Yufuin received the Suntory Local Culture Award and the Western Japan Culture Award for “nature and culture-oriented community development”.
1983	Yufuin received the Minister of Home Affairs Award for “a pleasant and relaxing town”.
December 1986	Yufuin received the Excellence Award in the Rural Village Amenity Contest (commendation by the Director-General of the National Land Agency).
September 1990	Establishment of the Pleasant and Relaxing Town Development Ordinance.
April 1991	Establishment of the Yufuin Human Resource Development Foundation with an endowment of ¥100 million.
February 1997	Yufuin received the Minister of Agriculture, Forestry and Fisheries Award for a thriving animal husbandry village.

2. Economic Statistics of Former Yufuin Town

**Former Yufuin Town's Gross Agricultural Production,
Merchandise Sales and Number of Tourists**

Item / Fiscal year	1970	1980	1990	2000
Value of gross agricultural production (million yen)		1,191	1,543	1,610
Value of merchandise sales (million yen)		5,319	9,187	11,708
Number of tourists (1000)	1,097	1,899	3,621	3,843

3. Tourist Survey Results

Repeaters	60%
Women	70%
Lone tourist or group of up to four	80%
Want to come again	90%

Note: A 1998 survey of 2000 tourists conducted by the Yufuin Hot Spring Tourism Association

4. Contributing Factors to Successful Community Development in Yufuin

- (1) There were active and enthusiastic leaders who acted as the instigators of community development.
- (2) Three community leaders underwent progressive-area training in Badenweiler, Germany.
- (3) The public and private sectors made concerted efforts under a private-sector initiative.
- (4) Various “handcrafted” events aimed at invigorating the community were planned and put into practice, and efforts are ongoing.
- (5) Efforts are made to get a lot of interesting local information out across the country on an ongoing basis.

The longevity of the events geared towards community development and invigoration deserves special mention, with 2005 marking the 31st cycle for the Yufuin Music Festival and the Barbecue and Shouting Contest and the 30th cycle for the Yufuin Film Festival. In addition to existing events, new cultural events, including the Yufuin Documentary Film Festival and the Yufuin Children’s Film Festival, have been introduced.

5. Future of Yufuin

“Yufuin is now at the crossroads as large-scale investors and developers are making inroads into it, threatening the traditional Yufuin style.”

“The people of Yufuin have overcome numerous challenges before. There is no end to community development. To ensure the survival of the Yufuin style, the fruit of our labor of love, into the future, we must continue creating and improving things of real substance.”

<Words of Mr. Kunpei Mizoguchi, a Yufuin representative at the International One Village One Product Seminar in Xian>

In 1979, then Governor Hiramatsu, who proposed the One Village One Product Movement, praised community development in Yufuin as a model of the movement.

He identified the cultivation of community leaders, which was essential for community development, as one of the three principles of the One Village One Product Movement.

Presentation by Mr. Kumpei Mizoguchi on “Town development in Yufuin”

Vice President of Oita OVOP International Exchange Promotion Committee

Mr. Mizoguchi shared with us his experience on how the people of Yufuin came to share a common dream, and how they promoted the town brand of Yufuin strategically for it to become the most prestigious hot-spring resort in Japan today.

Yufuin has a population of 12,000 and today receives 3.8 million tourists in a year, though 30 years ago the figure was only about 0.3 million. The most important thing is how to nurture people who are interested in town development. Even if the government is active, it will not work unless the people care and are spontaneously involved. So it is vital that they regard things as their “common” issue.

Take environment for instance. Nowadays environment is an indispensable aspect in town building, but 30-40 years ago, the idea was to develop infrastructure and take in as many tourists as possible, regardless of its impact on the environment. Naturally the surrounding towns at the time were not sympathetic to Yufuin’s ideals or policies, doubting Yufuin’s ability to be economically sustainable. At a time when people headed for the big cities, Yufuin strived for the independence of the local area, and looked for the attractiveness that a rural village holds. A lot of discussions and debates were held where we thought hard on how to attract city dwellers to rural villages, and one idea was to make nature one of its attractions.

There were various aspects that needed to be considered during our policy development. For example, there was a discrepancy in how the rural community is seen by the residents and how it is seen by city dwellers. A nation-wide survey trip revealed that there weren’t many differences in styles amongst the numerous hot spring resorts, and also a lot of the residents complained about what their area didn’t have, only seeing what is lacking.

We decided to make a village in Germany as our model for town building, where a whole city is planned out as a park. In 1971, we visited the town of Badenweiler in West Germany, which is also a hot spa resort. There we learnt that

- (1) It took them 100 years to develop the town. You cannot hope for quick results.
- (2) It cannot be done alone. You need at least 3 people as the core members to lead the initiative: (i) Planner (ii) Communicator (iii) Coordinator.

Luckily we had the perfect personnel, I myself taking on the third role, the coordinator. The three different personalities lead to creative thinking, good advertisement so that it would also be accepted by the young people, and good coordination so that the government is involved and supportive of our activities. Yufuin was sharing and striving toward a common dream.

During the course of development, we were lucky in that we got to know many influential people who came to support our activities. It has made us realize the importance of building a strong human

network.

Another important aspect was HRD. Together with Dr Hiramatsu, we started a “Toyonokuni” (old name of Oita area, meaning the ‘land of plenty’) study group, to nurture people with initiative and to share our common goals.

I think it is very important to revolutionize one’s thinking, in order to make a better habitat, a better town, a better village.

Q & A for Yufuin

Question 1

How do you identify the “key person” to promote the local community? How do you change how people think? How do you spread ideas for town building, and share it?

Answer 1

We organize events such as film festivals or music festivals, and through organizing them the leader becomes apparent. Also, we organize short trips for the community, during which we argue and debate, sharing our ideas. There is a saying in Japanese: “eat from the same rice bowl”, which is how you get to know and become close to a person, and eventually change the way of how they think.

Question 2

When you promoted tourism, did you target foreign guests, or domestic tourists? What is the reason in either case?

Answer 2

We targeted Japanese tourists, because we didn’t have the facilities to accommodate the needs of foreign tourists. We targeted especially women in order to differentiate from other hot spring resorts in the area. We focused on providing safety, security and comfort. These were targets that clearly differentiated Yufuin from the famous large scale Beppu hot spa resort nearby, making Yufuin’s values unique at that time. Yufuin decided not to build facilities that catered to large tourist groups. Our policy was for the following 2 reasons:

- 1) To maintain moral order (especially children)
- 2) Yufuin lacked the capital to build large buildings, and decided not to loan finance

Question 3

1. What type of support did you receive from the town (OVOP movement)?
2. Where there are no OVOP (government programs) movements, what kind of support from the government can be expected?

Answer 3

1. Due to OVOP movement, we had a base organization that would accept foreign tourists. Such acceptance leads to the strengthening of the town’s self-esteem. The OVOP movement has also encouraged foreigners to visit the town. This has inspired the local people to become proud of their local heritage.

2. We don't have much assistance from the government in the first place. The important thing for success is to create a human network, how you create meeting chances, and how you present a success case for others to follow.

Question 4

How do you attract young people to this place? What % of the young from this area remain?

Answer 4

I don't know the exact number, but except from the agriculture sector, a lot of them return later as adults. Also, many young people from outside the town come to our festivals, so the interacting young population is large.

Question 5

I understand that your policy includes tranquility, greenery etc, but what is the main body to rule on such regulations? For example, what if someone wanted to build a karaoke bar?

Answer 5

Of course there are regulations of the prefecture and town, but an autonomous council also regulates a lot, such as the "pleasant town ordinance". It is difficult to say which body is most responsible. I think we have nurtured an autonomous outlook among the local people.



Wrap-up Presentation by participants

As a wrap-up session, a representative from each economy was asked to make a brief presentation on their Action Plan after their return to their respective economies, having heard 7 speakers make a presentation from different perspectives on SME/cottage industry development, and having visited sites in Japan that are most active in promoting OVOP movement. They commented on what they have learnt, and what will be the next step they will take.

Some economies commented that they will create a new strategy, a program, or shift and develop existing ones upon their return. They will try to incorporate specific ideas they have learnt, such as introducing OVOP to a specific region of their economy, do a mapping of local products, or try working a similar entrepreneurship education program with the universities. Other ideas included creating a marketing platform, strengthen the collaboration between government and university, internationalize the market, enhance the already existing OVOP movement, implement HRD as demanded by businessmen, look for funding by JICA for future projects, etc.

Delegates from a few economies commented that they hadn't known about OVOP before they participated in this seminar, but the seminar has provided them a lot of information on this subject, and they wish to promote a similar program when they return, especially with how the local government works with the SMEs.

Some delegates from the private sector expressed their wish to collaborate with the government to coordinate a project. They also said that they have been inspired by OVOP movement, since it developed as a private sector-based movement, so perhaps their own private sector can also promote such movement. A similar praise was expressed by another delegate in view that the private sector has achieved a lot in the OVOP movement without depending on the subsidies of the government.

One participant commented on the difficulty of gathering motivation, but commented that through this seminar they have gained practical key information that they can use for an effective implementation.

Meanwhile one participant commented that despite the stage of development of the economy, the SME often faces a similar problem: competition and rural development (especially the aging population). They mentioned the difficulty in applying what they have learnt to their economy as the situation or the social system differs from that of Japan, nevertheless, they will try to adapt and adopt the OVOP movement method into their system for the effective use of the knowledge gained.

Some have expressed that they would like to have more information on how they should proceed with each step, like a practical guide of setting up the OVOP program.

Summary by Prof Hara

Prof Hara cautioned the participants that Oyama and Yufuin are not typical rural towns in Japan, especially Oyama is not an average farming community. They are one of the most affluent rural towns in Japan, and the average rice farmers are usually a lot poorer.



He concluded the 2 day seminar with the following comments:

1. Yufuin and Oyama town became conscious of the local specific characteristics and used their intelligence in developing. The most important thing is to **identify and utilize the land's potential**.
2. The role of the government and the partnership with the people is a delicate balance, whether it is done bottom-up or top-down. It is important to find the **appropriate balance** that works for that particular area, which would be different for each economy.

Seminar Official Website
<http://www.asiaseed.org/apec2007sme/>



All presentation files are available for download.