

## ONE VILLAGE ONE PRODUCT (OVOP) – REGIONAL SUSTAINABLE DEVELOPMENT IN KENYA

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### **Abstract**

The paper investigates the development of One Village One Product (OVOP) movement as a strategy to attain regional sustainability and independence in the devolved regional government structures in Kenya as entrenched in the new political dispensation. The research aimed at identifying the different products initiated in different regions. OVOP movement implementation is an initiative to brand local and regional products in achieving sustainable development of the dispersed geographical environment in all sectors especially agriculture and the rich human resource that Kenya is endowed with. The paper assessed the outcome of the pioneer projects in Kenya in Laikipia West, Yatta and Nyeri North and the subsequent projects in different regions.

The sample was derived from strata comprising of different stakeholders in the OVOP implementation. Both quantitative and qualitative data was used to obtain the information about the implementation and the operation of the pilot projects and outcomes. A comparison between the initials projects implemented in the pioneer projects was done using t statistics and ANOVA test. The results revealed that the products dealt with were duplicated lacking innovativeness and uniqueness making them less attractive. Differentiation of products a core aspect in attaining competitive advantage locally and globally. Majority of the projects under the OVOP programme were not successful. Generally, OVOP programme is a viable initiative but did not come up with competitive products. The major recommendation is that the OVOP movement should be localized to portray the positive image rather than taking it to be a political and competition tool between the regional governments.

**Key words:** OVOP movement, sustainable development

### **1.0 Introduction**

The OVOP movement model was initiated in 1979 in Oita Prefecture, one of the provinces of Japan by Dr. Morihiro Hiramatsu, soon after he took office that year as the Governor of Oita. OVOP was to encourage villages to select a product that was unique to the region, to which value was added through processing and sales and marketing, to develop into a nationally and globally accepted standard (Fujita *et al*, 2006). This concept has been adopted in different parts of the world including Latin America and Africa (Kurokawa *et al*, 2010). While the initial idea was to prevent rural depopulation, the concept has in the course of these transfers evolved into a direct state-involved policy for poverty alleviation, which is a deviation from the original movement. He aspired to prompt the local citizens to take greater pride in their region and be willing to continue to reside there in the long term.

OVOP movement is seen as a way of making use of communities' entrepreneurial skills, through use of its unique local resources and knowledge; where local products undergo a process of value addition through rebranding and building the human resources in the local economy. These two are critical in the development of the OVOP movement, which can be linked to endogenous development theory.

### **1.1 OVOP in other Countries**

The OVOP model has been applied in other parts in the world, which have adopted different names. China has named it One Factory one Product, in Thailand, it has been referred to as One *Tambon* One Product while in Malaysia, One District One Product and in Philippines as One Town One Product (OVOP operational guidelines, 2010). In Africa, the concept has been adopted as One Village One Product an example is Malawi.

In order to make OVOP take off in Africa, there was need for several prompt actions to take place. There is need for improvement of Spatial Connectivity so that local producers can be included in the global value chains. Africa also needed foreign co-operation in Management trainings and financing. Inclusion of social indicators like self-realization, women's empowerment and capacity improvement, in addition to economic ones, has proven to be significant to assess the effectiveness of the OVOP movement (Kurokawa *et al*, 2010). In 2008, at the Tokyo

International Conference for Africa (TICAD) IV and G8 meetings, the Japanese government confirmed its commitment in working with African countries. So far, twelve African countries have adopted OVOP; Malawi, Kenya, Ethiopia, Ghana, Senegal, Mozambique, Uganda, Tanzania, Madagascar, Nigeria, South Africa and Zambia.

## **1.2 OVOP in Kenya**

The concept of OVOP was adopted and has been promoted in Kenya since 2006. The government of Japan as a follow up of commitments made at the TICAD 4 part of which was doubling ODA to Africa by 2012, identified OVOP as one of the initiatives to promote product development and export. This was through the three pillars of accelerated economic growth, human security and prevention of global warming. JICA and JETRO supported by the Embassy of Japan held the “Made in Kenya Fair” which was held in March 2007, to promote the OVOP movement in Kenya. This led to formulation of a concept paper on OVOP followed by a strategic plan, which lay the bases of forming the OVOP National Coordinating Committee through the National Secretariat stationed at the Ministry of Industrialization (OVOP operational guidelines 2010).

OVOP is part of the vision 2030, and is one of the Medium Term Plan (MTP) projects aimed at adding value and supporting the economic programmes at the local level. The MTP projects, is the foundation of the initial phase of implementation of vision 2030 and aims at increasing the GDP growth from an estimated 7 percent in 2007 to 10 percent by 2012.

The OVOP approach encourages entrepreneurs to develop a product unique to their region and develop it into a nationally recognizable product enterprise. In Kenya, OVOP has focused on group entrepreneurship and therefore promotes growth of group owned small and Medium Enterprises (SME's) that are involved in value addition. The growth of these enterprises is dependent on several factors, some of which are access to finance, ability to adopt technology, develop products and their ability to access markets for their products. These factors are being addressed to promote the growth of the SME's.

OVOP initiation in Kenya was through pilot projects, which were begun in three phases. First was in 2008 in Nyeri North, Laikipia West and Yatta. The second was in 2009 in Kisii, Nandi Hills, Bomet and Vihiga while the third pilot project in 2010 was done in West Pokot, Garissa, Isiolo and Kwale. Yatta District which is situated in Machakos County was selected by the secretariat as a beneficiary due to its competitive advantage over others in terms of resource endowment like basic infrastructure, potential for value addition, availability of service providers, unique products, community empowerment, market and preparedness of local communities with available registered groups, and projects, as well as leadership. In Yatta, there are 256 OVOP groups undertaking value addition under OVOP. Kwitungania is a women group in Yatta is located in Mitamboni, and produces Ballast and Kiondos. The project was established in 2010, and had its main market as the local community. The group began its operations as merry-go round, commonly referred to as '*chama*' which was used to buy utensils, cups and plates for each member. The members after evaluation opted for a better project to uplift their income.

Elimar Arts Deport based in Nyahururu town, whose main product is artistic furniture made of trunks and roots of trees. The group was established in 2008, distributing its products to Nairobi and direct customers from Uganda and South Sudan. Elimar Arts deport has employed at least 30 individuals in the area. Trunks and roots are sourced from the community around.

## **2.0 Problem Statement**

Since the introduction of OVOP in Kenya, there has been little effort made to evaluate the different programs initiated in the region in terms of their effect. The activities and achievements of the program are scanty on the effect of the livelihoods of the beneficiaries thus creating an information gap which this study intends to fill. In order to move forward and add value to the process, there is need to keep abreast with the outcomes of OVOP programs implemented in Kenya. The choices of the products undertaken by the groups have been taken without analysing the reasons behind them and comparison for the qualitative and quantitative information has not been made.

The reason for the research is taking such stock for the projects with the view of appraising them and transferring the same to others and rectifying the shortcomings in future. With advent of regional and localized funds by the central government to be used by the regional government, the concept of OVOP would be of help to enhance capacity of the regional governments.

## **2.1 The OVOP Model**

The OVOP model is structured so that a network in the community is created. A vision for transforming the socio-economic outlook of the community is then formulated, whose main focus should be to produce a more value added product(s) which can effectively compete in the global market. The development concept is rooted in utilization of local resources including commodities, raw materials, technology and human resource in a manner that creates a sense of self-reliance, ownership and strong will to create competitive advantage by exploiting the core competence of the community. This development could be viewed as being 'endogenous' rather than 'exogenous' as its key features (Natsuda *et al*, 2011). The endogenous theorists take the view that local economic development can be determined not by capacity of the region to attract foreign firms, but the capacity of the region to generate the conditions of transformation of its own productive structure (Dinis, 2006). The OVOP model is based on three key pillars, which aim at achieving the economic and social development of a community, according to OVOP International Exchange Promotion Committee.

## **2.2 Self-Reliance and Creativity**

There is importance of people to continuously improve their unique value to ensure they remain competitive in the global market. Local knowledge and instinct of the local people is crucial in identifying 'buried treasures' in each village/town. Everything is valuable but the initiative and potential and effort of the local people is the catalyst that turns the potential to a reality (Kurokawa, 2010).

## **2.3 Think Globally Act Locally**

The people need to appreciate that the resources they have locally have their own unique value that gives them a competitive edge in the local and global market. The 'story' behind any product or its development helps attract consumers' attention (Kurokawa, 2010).

## **2.4 Human Resource Centered Development**

The success of any OVOP product/service depends on its quality-developed and improved by local people of the area. This must be accompanied by visionary local leadership with challenging and creative spirit. This shares its focus on quality with Kaizen or 5s, of continuous improvement (Kurokawa, 2010).

## **3.0 Research Methodology**

The study adopted qualitative and quantitative research approach was followed for the following reasons. The target population of the study was the total number of group members in the groups in the pioneer regions under the OVOP programme totaling to 130 members. A sample of 45 was derived and the respondents chosen by a simple random sampling technique.

## **4.0 Results**

### **4.1 Type of OVOP Producers in 2008**

The total of 10 groups were registered under the OVOP programme in 2008, of which youth groups were 4, women groups were 3, Community Based Organisations (CBO'S) was 1 and others were 2. This represents a 40%, 30%, 10% and 20% respectively of the types.

### **4.2 Types of OVOP Products**

A total of 30 items were registered under OVOP products, of which decorative items, handicrafts and souvenirs accounted for 37%, textiles for 25%, foods for 30% and herbal products for 8%.

### Type of Support

Type of support	Highest	High	Not applicable	Low	Lowest	Mean
Product exhibition	16	9	7	8	5	3.51
Technical matters	1	4	13	18	9	2.33
Business procedural	0	4	11	20	10	2.22
Other	2	1	35	4	3	2.89

The findings indicated that the average support was high in the product exhibition with business procedural support receiving the least average support.

### Reasons for Choice of Business

Reasons	Highest	High	Not applicable	Low	Lowest	Mean
To use own specialist skills and knowledge	26	12	0	4	3	4.200
To make use of contracts formed previously	5	5	20	6	9	2.800
To contribute to society	18	10	2	11	4	3.600
Because of growth potential	11	20	4	9	1	3.667
Previously interested in field	8	9	7	5	3	3.044
Possible to start up with little capital	8	10	8	14	5	3.222
Better income prospects	12	8	8	12	5	2.622
Uniqueness	5	7	8	16	9	3.222
To put own property or other asset use	9	0	6	10	20	2.289
No need for special knowledge, experience	18	12	6	8	1	3.844
Possible to combine work with housework, childcare	5	7	28	2	3	3.200

The respondents were also required to give their opinions as pertains the choice of business. The highest average of the respondent indicated that the use of own specialist skills and knowledge was the main reason for choice of business, with the least average reason for the choice of business being to put own property or other assets use.

### Comparison of the Projects

Region/Details	Projects	Capital	Revenue	Expenses	Profits
<b>Lakipia West</b>	Elimar Arts Deport	500,000	1,200,000	500,000	700,000
	Rumuruti Women Aloe Vera Group	20,000	120,000	76,000	44,000
	Enderkesi Naboisho Focus Group	50,000	Cannot estimate	Cannot estimate	Cannot estimate
<b>Yatta</b>	Kwitungiana Women group	100,000	750,000	450,000	300,000
	Kabaru Arid Support Association	50,000	300,000	150,000	150,000
	Kanini Kaseo SHG	100,000	600,000	350,000	250,000
<b>Nyeri North</b>	Watuka Farmers Cooperative Society	500,000	1,800,000	800,000	1,000,000
	Thirigitu Mt Kenya Environment and Conservation	150,000	400,000	150,000	250,000
	Jitunze Environmental SHG	200,000	500,000	250,000	250,000
	Kimafuri Youth United self Help Group	200,000	450,000	150,000	200,000

Generally, the startup capital to the OVOP projects are from external sources with Nyeri North region having high initial borrowed capital with much higher returns as compared to the other two regions Yatta and Laikipia. The reason may be because of the type of group and the ownership of the groups. The geographical location and the general social and economic conditions of the regions might also be a contributing factor on the amounts borrowed. It can also be seen that the higher the amount borrowed depends on the type of the group activities and the resultant revenues and the profits accruing to the groups.

### Social Economical Effect - Laikipia West

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean
Enhanced employment	0	3	1	4	7	2.00
Marketing the region	2	1	3	6	3	2.53
Revenue gain	1	1	0	5	8	1.80
Capital gain	6	5	1	1	2	3.80
Preventing urban job seeking	2	2	5	3	3	2.80
Prevention of land degradation	1	3	5	4	2	2.80

The respondents in the Laikipia West location were required to give their opinions as regards the social economical effect of the OVOP programmes. The highest average of the respondents indicated capital gain as the main effect, with least average being the revenue gain.

### Social Economical Effect – Yatta

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean
Enhanced employment	1	1	2	5	6	2.07
Marketing the region	2	2	1	5	5	2.40
Revenue gain	1	1	1	5	7	1.93
Capital gain	3	3	6	2	1	3.33
Preventing urban job seeking	5	3	2	3	2	3.40
Prevention of land degradation	6	5	1	1	2	3.80

The highest average respondents in Yatta strongly agreed that enhanced employment was the main social economic effect, whereas prevention of land degradation was the least social economic effect.

### Social Economical Effect - Nyeri North

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean
Enhanced employment	1	2	1	5	6	2.13
Marketing the region	4	5	1	2	3	3.33
Revenue gain	0	1	0	6	8	1.60
Capital gain	3	4	6	1	1	3.47
Preventing urban job seeking	5	4	1	2	3	3.40
Prevention of land degradation	2	4	1	5	3	2.80

The respondents in this Nyeri location strongly agreed that revenue gain was the main social economic effect with many being in disagreement that preventing urban job seeking was the main reason for the project implementation.

### One-way ANOVA: Laikipia, Yatta, Nyeri North

Source	DF	SS	MS	F	P
Factor	2	0.133	0.067	0.12	0.892
Error	15	8.642	0.576		
Total	17	8.775			

The results show that there is a significant relationship between the operations of OVOP and the social economic status of the respondents within the OVOP setup, since the computed p value is greater than the significance value of 0.5

## **5.0 Conclusion**

Development of the OVOP operates as a rural development strategy in the context of widespread rural poverty, whereas OVOP was conceived as a strategy to prevent rural depopulation in the context of a rapidly growing industrial economy. OVOP experiment has been a way of increasing the help to existing enterprises, including community based ones, as well as of helping new enterprises to establish. Employment for people, such as women and youth, who might not easily find jobs otherwise, has been a benefit of the OVOP scheme, and help with marketing has been a particularly important kind of support.

## **6.0 Recommendations**

In order to improve the effectiveness and efficiency of OVOP implementation in Kenya, it is suggested that the government has to relocate down the technical assistance, which now exists in the Capital in the Local funds available – Youth Fund, Women Fund and Constituency Development Fund, to the local level so that local people will become more confident about what they should produce. Meanwhile, the technical team should work in the communes in order to cut down a long hierarchy decision making. The success of any project with bottom-up and grassroots development is suitable in order to improve the creativity of local residents by letting them make decision and experience this movement. Because of the highly hierarchical, centralized and undeveloped structure of the Kenyan OVOP organizational scheme, it is likely that decisions and information will take a long period of time to reach the local level and vice-versa. This will affect productivity at the local level.

Although the research does not dwell on sustainable objectives or ecological goals as a driving force for the movement this is now also a most important issue for the current situation of Kenya. The country's pre-development plan which focused on the capital of the projects has resulted in the movement of many jobless people from the villages to the city where the phenomena leads to ecological problems in the city such as poor hygiene and anarchic slums. However, it is hoped that the OVOP movement will encourage those people to return home to develop their own communities.

The capital and export-oriented sales of the projects is the right strategy for its current situation. Kenyan products should take this opportunity to enter and siege a part of foreign market with its competitive price and uniqueness. Finally, Kenyans should move down the technical assistances to local level. The local assistance should exist closely to local people. This newly born Kenyan OVOP should adapt a successful lesson from other developed schemes in order to get fruitful result, real sustainable development for the local community.

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