The Policy Improvement for Developing OTOP under the Context of Changing into ASEAN Economic Community (AEC)

Kawinphat Lertpongmanee

Abstract—The development of One Tambon One Product (OTOP) became the policy of the government in 1997 after the former Prime Minister had been in power. The strategy of sections is currently set for the policy. OTOP has become the part of the way of community lives around the country. OTOP may be developed under changing into ASEAN economic community in 2015 because of the flow of capitals, productions, and many workers in the region. All sectors are improved for the change. The purposes of study were to study the strength and weakness of the OTOP-creating process via its policy and to lead to the strategy to be able to apply before changing. The methodology is qualitative to study its policy including document and to interview experienced persons. The findings showed that the effort of improvement of all sectors obviously involves with OTOP development. Particularly, the strategic administration of OTOP is in every level of the state, central sector, region, and community.

Keywords—ASEAN Economic Community – AEC, One Tambon One Product – OTOP.

I. INTRODUCTION

ONE Tambon One Product is the concept that requires each of villages to have its own products. The products are made of the local materials, resources, and knowledge to be developed until they become the products that can build an income for the community. The local business is motivated by the concept of the project of Japan’s successful One Village One Product. The concept of OTOP is encouraged the community to create the local products and market. One of the remarkable products is chosen from each of sub-district to be sealed “OTOP”. OTOP including the products such as handicrafts, cottons, silks, potteries, ornaments, house wares, and foods is widely in the locality.

The government of the former Prime Minister Thaksin Shinawatra supported and motivated the policy of One Tambon One Product continuously after Thai Rak Thai party had won election in 2001. The concept of the project of Japan’s successful One Village One Product. The concept of OTOP is encouraged the community to create the local products and market. One of the remarkable products is chosen from each of sub-district to be sealed “OTOP”. OTOP including the products such as handicrafts, cottons, silks, potteries, ornaments, house wares, and foods is widely in the locality.

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LITERATURES REVIEW

Over the last twelve years, the OTOP development was in the context of economy, society, and politics. It was not linked in changing in the level of state or region. The most development emphasized on the construction of the community’s potential for promoting the other aspects such as tourism, agriculture, and SMEs. It can be seen that the administrators of the department of community development have allotted the process of OTOP development from 2011 to the present as follow: In 2001, it was the system of organization and work integration. It was to find out the main product in 2002. The excellent products were selected in 2003. The quality and product standard were developed in 2004. In 2005 it was the marketing promotion. The outstanding OTOP products were chosen in 2006. In 2008 it was the product search with marketing potential. In 2012 to $3,125 million in 2015. The Ministry of Interior has set the OTOP-developing plan in its strategy in 2013 to 2018.

The study has shown that improvement of OTOP faces the changing business environment after the ASEAN economic community. In various limits, the question is how the government improves the strategy of this altering situation. The set strategy will be able to support or encounter the changing. This is new situation for the confronting OTOP products.

From the above problem, the frame of hypotheses in this research was set in the OTOP-developing context in the past. The involving condition set will be changed after AEC cooperation will extremely be begun in 2015. The various limitations will be considered for the directly involving persons such as people in the community, stakeholder, and public and private sector.

II. LITERATURES REVIEW

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economic product worth addition in 2011. In 2012-2013, the 
business is promoted into ASEAN economic community.

It can be seen that the OTOP promotion and development 
were in the important point when the structure and condition 
of law may be improved for ASEAN economic community. It 
will start in 2015 for Free Trade Area, services, capitals, and 
workers. Particularly tariffs of ASEAN’s member have been 
brought down to the 0-5 percent tariff range. It has a plus and 
minus effect for domestic products and OTOP as well. [3]

In supply side, it has both the strength and weakness points 
for OTOP’s producers and entrepreneurs, that is, they can 
increasingly expand the export into ASEAN’s market because 
of the largely market size in aspect of a ten-country to be one 
market. Its member can import the cheap materials from the 
ASEAN because it is economy of scale. The same products 
from ASEAN can move in Thailand. The quality of Thai 
products is poor, but it is produced in the high capital. This 
does lacks of easy marketing because it cannot compete with 
price. [4]

The analysis accords with the types of OTOP group set by 
the public sector. For example, 71,739 of OTOP products 
were registered in 2012 from 36, 092 of entrepreneurs. They 
have been divided into three groups: the group of 243,272 
community producers, the group of 11,204 soles, and the 
group of 561 SMEs. It is noteworthy that the community 
producers and entrepreneurs are sole to be the main structure 
of OTOP. This group must be promoted and developed in the 
increasingly potential competition.

From the categorized group of the quality of the products, it 
was found that 71,739 of the mainly-registered products are of 
C and D quality. The only clothes are mainly of B quality and 
C and D respectively. It can be said that the largely-produced 
products are the poor and middle quality. The clothes and the 
part of utensils are the identity products that have the good 
quality. There were little goods produced. The products of 
OTOP will confront with the exchanging business 
environment after ASEAN economic community. There are 
many of limits; for example, the strategic improvement in the 
exchanging situation will be important for OTOP products 
confronting with the coming future.

Purposes of this study were to study the strategy of the 
government used in stimulating and developing the OTOP 
products before and after ASEAN economic community in 
2015, to study the state of a problem and an obstacle 
happening in OTOP after ASEAN economic community in 
2015, to study the possibility of OTOP improvement and 
competition after ASEAN economic community in 2015, and 
to be the foundation of creating the permanently OTOP 
products.

In scope of the study, the researcher studied the strategic 
plan of the department of community development, Ministry of 
Interior in the mainly OTOP development because it was 
the first sector set in developing the quality of goods, 
production, and administration and in building the quality of 
the entrepreneurs or the villagers in the community. An 
achievement of the various projects was assessed at least ten 
years in the past. The researcher studied a variety of 
conditions and specifications used after ASEAN economic 
community in 2015. The researcher analyzed the occurred 
opportunity and obstacle and investigated the model of 
business compared with the strength and weakness point of the 
strategic improvement in OTOP development of the 
government.

III. RESEARCH METHODOLOGY

Both qualitative and quantitative approach was used in this 
study. This research was the policy improvement for 
developing OTOP under the context of changing into ASEAN 
economic community (AEC). Primary data obtained from 
interview were utilized in this research. The part of 
community included the head of the community and OTOP 
producers. In the field, observation of production and the 
OTOP administration were in the interesting area. The officers 
of the government as the persons setting the OTOP developing 
policy were interviewed in-depth.

The secondary data such as the policy papers, the reports, 
the texts, the previous research, the journals, newspaper, 
magazines, internet, and the documents of related organization 
were used to study in this qualitative research.

The primary and secondary data, the important sources, 
were used to analyze the qualitative results occurred from the 
OTOP developing policy according to the study. After that the 
results were tested with variables and the related theory to 
analyze the effect of the significantly strategic policy by 
descriptive method. In the synthesized data, the researcher 
utilized the analyzed way of the following time frame: the 
OTOP-developed products started from 2001 to 2005; and the 
OTOP-developed products were in the era of the political 
exchange from 2006 to 2010.

To study both the development and the goal according to 
the exchanging context, the researcher used the above data to 
investigate the related theory such as the concept of rural 
economy, self-sufficiency economy, and small and micro 
community enterprise. The situation of exchanging into 
ASEAN economic community in 2015 was used to be 
variables in analysis.

IV. FINDINGS

The One Tambon One Product or OTOP development was 
in the beginning era from 2001to 2005, that is, it was the first 
era. It was found that the small and micro community 
enterprise was primarily brought to utilize. The political and 
administrative environment was eagerly encouraged in every 
sector because the Thai Rak Thai party’s government, the 
former strong Prime Minister Thaksin Shinawatra had been in 
power. Thaksin Shinawatra could use the policy in election 
campaign and it appeared to be the concrete. It was the policy 
form the project of Japan’s successful One Village One 
Product.

Administration in the first period of time is mainly the 
foundation projects; for example, the order of the office of 
Prime Minister about the board of the 2001 national OTOP 
directors was declared in September of 2001. The committees
of the national OTOP director were set by the former strong Prime Minister Thaksin Shinawatra. He assigned a deputy of Prime Minister, Pongpon Adirecsarn, to be the president of the committee. The committee had the authority in setting the policy, strategy, and main plan of OTOP. Standard, tenet, selection, and registration of excellent products were efficiently conducted according to the policy and strategy.

The goal of OTOP’s policy in the first era was the narrow goal for achievement limit; and the policy had responded the politics of Thai Rak Thai party. The purposes of the policy included three steps: (1) the strongly community construction with the good income and lives, (2) the quality of OTOP-created products with standard and added worth, and (3) contribution and export both in the domestic and foreign. The worth of OTOP is at least $1094 million in 2014. This policy is significantly not reflected on OTOP products related between economic unit and the country’s exchanging economic growth under ASEAN’s cooperation. [5]

V. DISCUSSIONS

The ASEAN economic community will start in 2015, it will be useful for One Tambon One Product; and OTOP of Thailand may be useful in aspects of relation, that is, Thailand will receive the benefits on principle or agreement under the frame of Free Trade Area taking place in the ASEAN’s member. The goal and accomplishment of agreement is to require ASEAN to be single market and production base. The members of ASEAN can move the goods, services, investment, workers, and capitals within ASEAN freely.

The OTOP is the same. Thailand will receive benefits from non-tariff barriers. It makes the market big because there are more than six hundred million people. The channel of the non-tariff barriers. It makes the market big because there are...