



Vietnam Promotes a New Policy on Local Product's Development: One Commune One Product (OCOP)

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INTRODUCTION

The development of agriculture, farmers and rural areas is a major policy of the Communist party and State of Vietnam to implement the country's socio-economic development and contribute to implementing effectively the UN Millennium Development Goals. It has been more than 10 years since the implementation of the Government's Action Program on Agricultural, Farmers and Rural Development (Resolution No. 24 / NQ-CP dated October 28, 2008), Vietnam has recorded significant achievements.

The face of Vietnam's countryside has been changed significantly. Important institutional infrastructures such as transportation, electricity, water production and daily life, schools, markets, residential houses, cultural constructions, etc. were heavily invested. This effectively contributed to the results of the National Target Program on new rural construction. Until the end of March 2019, Vietnam has 66 district level units meet standards, complete the task of building new rural areas; there are 4,207 communes (equal to 47.19%) to meet the standard of new rural area. It is expected that until the end of 2019, 50% of communes will be reached. This target achieved ahead of schedule in 2020.

Livelihood of rural farmers has been improved, the average wage per person in Vietnam is around VN\$40 million a year, nearly four times higher than the figure in 2008; the percentage of poor households in Vietnam dropped from 12.2% in 2008 (according to the old standard) to 1.8% in early 2018. The multidimensional poverty index in Vietnam rural area currently is 6.45%. Agricultural production has developed. Currently, Vietnam's agricultural products have been exported to more than 180 countries and territories in the world, and Vietnam's agricultural exports hit US\$40 billion in 2018, ranking second highest in Southeast Asia and 15th in the world. The restructuring of agricultural production has been strongly implemented in the direction of 03 product axes: the axis of national agricultural products with 13 product groups with export value of US\$1 billion or more, product axis of the provincial level with many product groups linked to large areas reach the export value of US\$300-500 billion and local product

axis (district, commune), so-called OCOP including agricultural and non-agricultural products creates many products from local specialties, creating jobs and creating variable products for village economic development and rural tourism. This strategy is creating favorable conditions for the development of the rural economy while at the same time promoting the advantages of agricultural production and services and tourism in rural areas.

VIETNAM ECONOMY AND POTENTIALITY OF LOCAL PRODUCTS

Currently, the rural population in Vietnam is still high, accounting for 68% of the whole country's population; labor force in rural areas accounts for 65% of the whole country's labor; land area in rural areas account for over 76% of the whole country's area. As for the goal of socio-economic development until 2030, the Government expects to increase the per capita income twice, so the target of the economic growth in the coming 10 years is to reach about 7.5% continuously, on the basis of using competitive advantages, especially through agriculture and tourism focusing on rural tourism (ISG, 2018).

Therefore, current task is being directed to boost the development of agriculture, farmers, and rural areas by Vietnamese Government to develop and implement the National Target Program on new rural construction until 2030. Multiple big projects and programs have been implemented by the Government since this period such as: Science and Technology Program for building new rural areas; Rural Environment Treatment Scheme; Development support scheme for villages of especially difficult communes, specially one commune one product (OCOP). This program is identified as a vital rural economic development program in the upcoming time, along with the implementation of the Rural Tourism Development Project.

Application of lessons learned from Japan when building and implementing One village one product (OVOP), at present, OVOP has grown into a movement that encompasses all of 40 countries in Asia, Africa and Latin America, etc that supports the socio-economic development in rural areas. As for results of pilot OVOP project of the OVOP movement in Vietnam since 2006, many localities in the country have preliminary results, including Quang Ninh province.

Since the first pilot survey of 63 provinces and cities, there are currently 6,010 enterprises, cooperatives, cooperative groups, and households in the country (with business registration), including 3,126 enterprises (accounting for 76.6% of agricultural production enterprises in the country), that produce 4,823 advantage products of 06 product groups. On the basis of analysis and evaluation, it shows that most of the above products and services are capable of developing, diversifying and commercializing if they are focused on investments and are directed to be implemented in a methodical, uniform and synchronous manner. This can contribute to creating fundamental changes in rural economic development to raise incomes for people in a sustainable way. The Prime Minister issued Decision 490/QĐ-TTg dated May 7th 2018 approving a National Program for One commune one product program for 2018-2020 (Long, 2018).

NEW POLICY ON ONE COMMUNE, ONE PRODUCT (OCOP)

The approval of Government of the OCOP Program is drawn from the success and experiences in both international and domestic fronts, which is considered a very specific and effective solution to help promote the development of product groups for communal and district level. In the strategy of three (03) national agricultural product axis, OCOP will be a program to generate a new driving force for economic development in rural areas.

Vietnam's OCOP program is implemented on the basis of adaptation the three basic principles of OVOP movement, the main object of the program is focused on product development (including goods and service products,

rural tourism) and development of economic organizations (small and medium enterprises, cooperatives, production households with business registration). The core of adapting OCOP Program is the implementation of the OCOP Cycle, with six appropriate steps, the OCOP Cycle focuses on listening, receiving ideas from product manufacturing, and ideas to improve and diversify products. Implementation steps of the OCOP Cycle help to continuously promote people's creativity, self-reliance and self-confidence (OCOP, 2019).

Standardized products will be evaluated based on the product evaluation rating criteria. The product evaluation rating criteria for OCOP products is built on the principle of national quality standards, international standards orientation, based on the principle of the development of economic organizations and for the development of village and commune communities, especially the product evaluation rating criteria that meets the UN Millennium Development Goals on poverty reduction, gender equality, environmental protection, sustainable development.

The overall objective of the OCOP Program is to (1) Develop production and business form (prioritizing the development of cooperatives, small and medium enterprises) to produce traditional products and services that are competitive in the domestic and international markets, contributing to the development of rural economy in direction involving development internal resources and increasing value. (2) Contribute to economic restructuring, increase income, enhance the quality of people's life and effectively implement the criteria of "Economics and production organization" in the National Criteria for new rural communes. (3) Through production development in rural areas, contribute to the implementation of agricultural and rural industrialization and modernization; promote reasonable restructuring of rural labor (restricting migrants to the city), protect the environment and preserve the traditional values of rural Vietnam.

Specific objectives until 2020 are as follows:

1. Standardize at least 50% of current products, equivalent to about 2,400 products;
2. Consolidate and complete the production in the direction of linking production households with cooperatives and enterprises;
3. Develop 8-10 models of Tourism Culture Village; consolidate and complete 100% of enterprises and cooperatives participating in the OCOP Program;
4. Strive to develop about 500 small and medium enterprises and cooperatives to join the OCOP Program;
5. Promote trade promotion programs and promote OCOP brand products;
6. Build capacity for professional staffs on production and business management skills, specifically, for 1,200 state management officials (central, provincial and district levels) who implement the OCOP Program and 100% of business and cooperative leaders, owner of a household with business registration to participate in the OCOP Program (OCOP, 2019).

CONCLUSION

A number of key tasks and solutions to implement the OCOP program are determined to focus on propaganda to raise awareness for the state management officials, for production households and for consumers to understand, know and consume products, such as researching and promulgating incentive mechanisms and policies for implementation, applying scientific and technological solutions, mobilizing resources, developing an international advisory, and supporting cooperation system to implement the effective OCOP Program.

Therefore, after nearly one year of implementing the OCOP program, currently, there are 42 provinces and cities that have approved projects on the provincial level, according to the plan until the end of the second quarter of

2019 when the whole country gets provincial approval of OCOP scheme. A number of central and provincial missions have been studying in Japan and Thailand.

Vietnam proposes an initiative on creating and developing a global OCOP network. Some recommendations on promoting Vietnam's OCOP products that link to the local product movement of the world are as follows:

- (1) Valuable experiences, good practices in implementing the OVOP/ OTOP in the world need to be shared to help Vietnam identify what challenges and new factors affect rural areas to adapt OCOP program in the context of continued high economic growth.
- (2) Ministry of Agriculture and Rural Development and ministries and localities in the country need to study and exchange experiences abroad, especially Japan and Thailand, in implementing OVOP and OTOP, when previous countries have implemented the movement and program for a long time and achieved good results.
- (3) It is necessary to strengthen the study and exchange conditions on the national scale and create opportunities for the localities of Vietnam to actively study, exchange experiences and trade in the OVOP movement and OCOP program.

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