

# Impact of One *Tambon* One Product (OTOP) Program on Household Income in Thailand

タイの一村一品プログラムが世帯所得に与える影響

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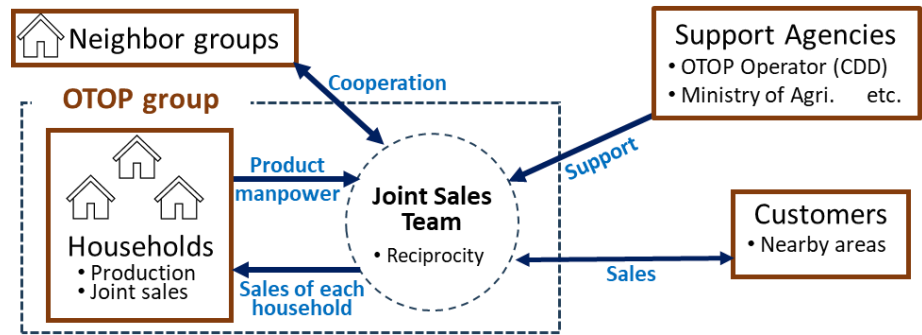
## Case 1: OTOP group in *Ban Nong Bua Noi* (Group A)



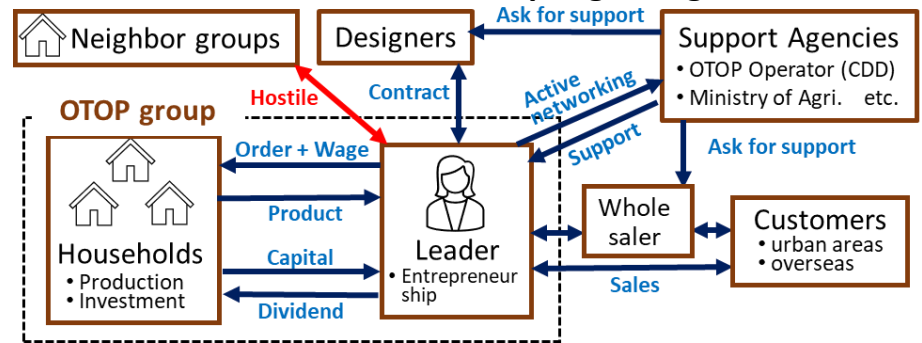
## Case 2: OTOP group in *Ban Hua Fai* (Group B)



## Stakeholder relationship regarding Case 1



## Stakeholder relationship regarding Case 2



## 1 Background

### One *Tambon* One Product (OTOP) Program in Thailand

- Community-based enterprises have been promoted to enhance household income in rural Thailand.
- OTOP Program registers village's products while it also supports their marketing activities.
- OTOP groups have been rapidly growing.



### Heterogeneity in OTOP's impact on household income

- OTOP program has significantly increased household income in some villages, but not in others.

### Research question

How can we enhance household income through the OTOP Program in rural Thailand?

## 2 Goals

This study aims to:

- (1) Estimate OTOP program's impact on household income;
- (2) Identify mechanism in which OTOP program enhances household income; and
- (3) Draw policy implications for supporting community enterprises in developing countries.

## 3 Methods

### Nationwide Analysis

Matched difference-in-difference model

- Treatment group: villages registered for OTOP program in 2019
- Control group: villages not registered for OTOP program from 2017 to 2021

Data: Village-level basic information (2017, 2019, 2021)

### Case Study in Khon Kaen

Interviews with two "Mudmee Silk" groups and supporters in Khon Kaen (Nov. 27<sup>th</sup> to 30<sup>th</sup>, 2023)

- Case1: Group in *Ban Nong Bua Noi*
- Case2: Group in *Ban Hua Fai*

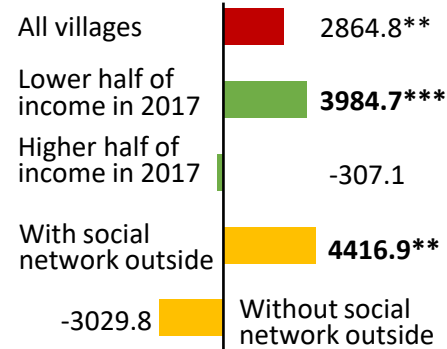
Discussion on policy implications

## 4 Results

### Nationwide analysis:

- OTOP registration significantly increased average HH income by 2864.8 THB/year.
- Difference of impact between lower vs. higher-income villages = 4291.7 THB/year;
- Difference of impact between villages with social networks outside vs. those without = 7446.6 THB/year.

### Impact of OTOP registration on household income (THB/year)



### Case study in Khon Kaen:

- OTOP program changed attitudes toward production and formalized production activities in both cases.
- Group A focused on coordination within village while Group B highlighted networking outside village.
- In Case 2, support agencies have mediated networking with outside businesses, enabling Group B to expand their marketing activities.

## 5 Conclusions

- OTOP program increases HH income in rural Thailand.
- The impacts are greater in villages with lower income and social networks outside village.
- Government should support networking between community industries and businesses outside.

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