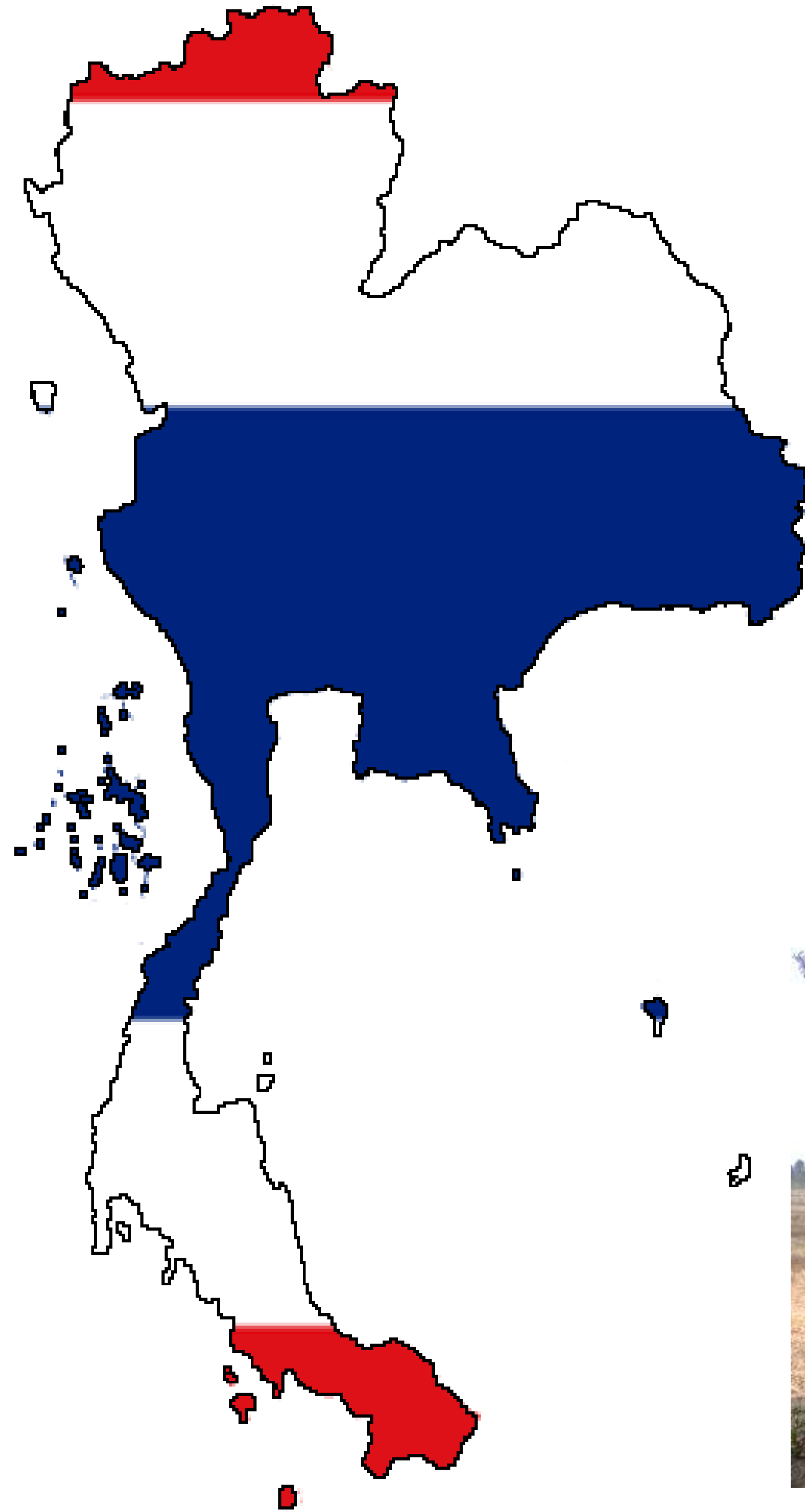




# THAILAND'S POVERTY REDUCTION APPROACHES

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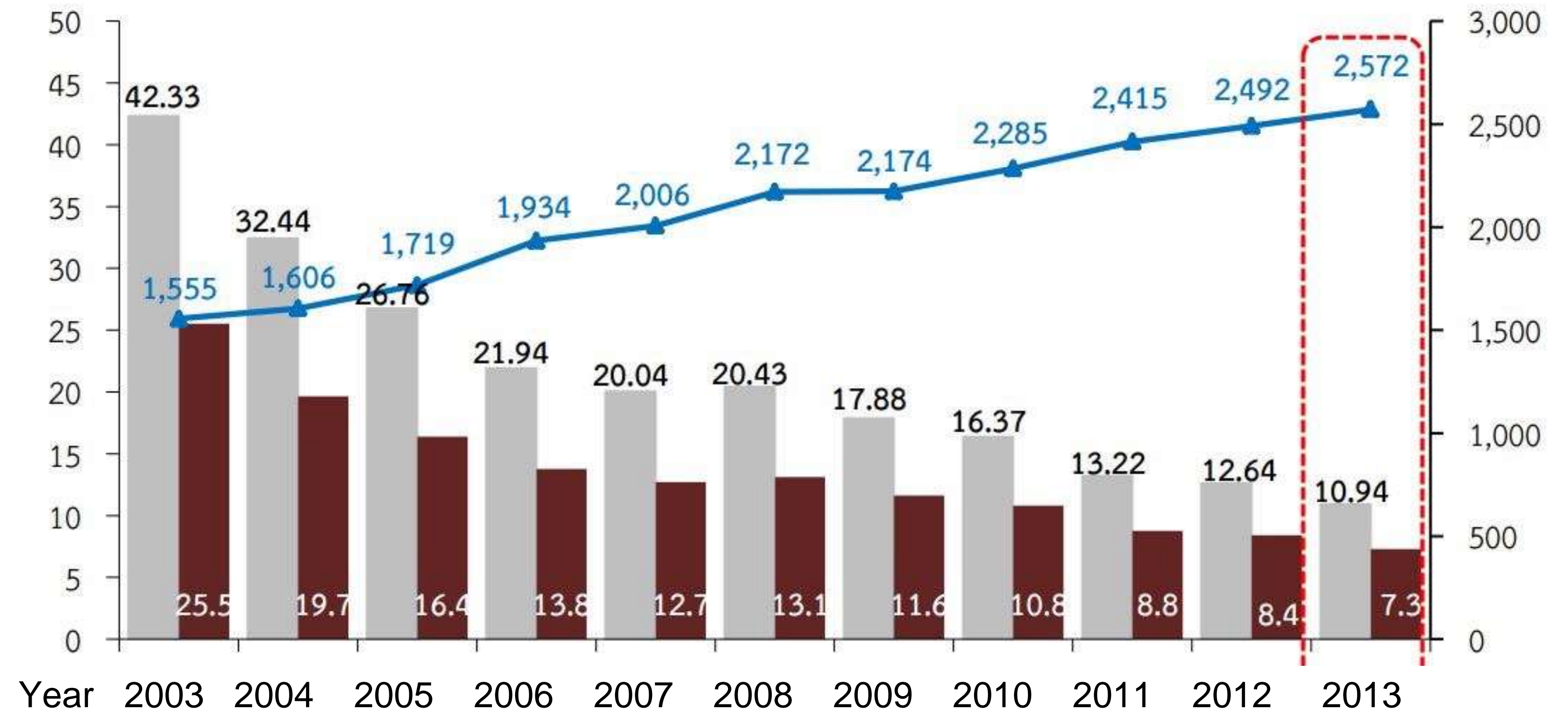


Thailand became an upper-middle income economy in 2011. Over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income country to an upper-income country in less than a generation.

Poverty incidence differs considerably between subnational regions and demographic groups. Poverty is primarily a rural phenomenon, with more than 80% of the country's poor living in rural areas. Poverty incidence in rural areas of some regions is as much as three times higher than in urban areas.



# STATUS OF POVERTY IN THAILAND

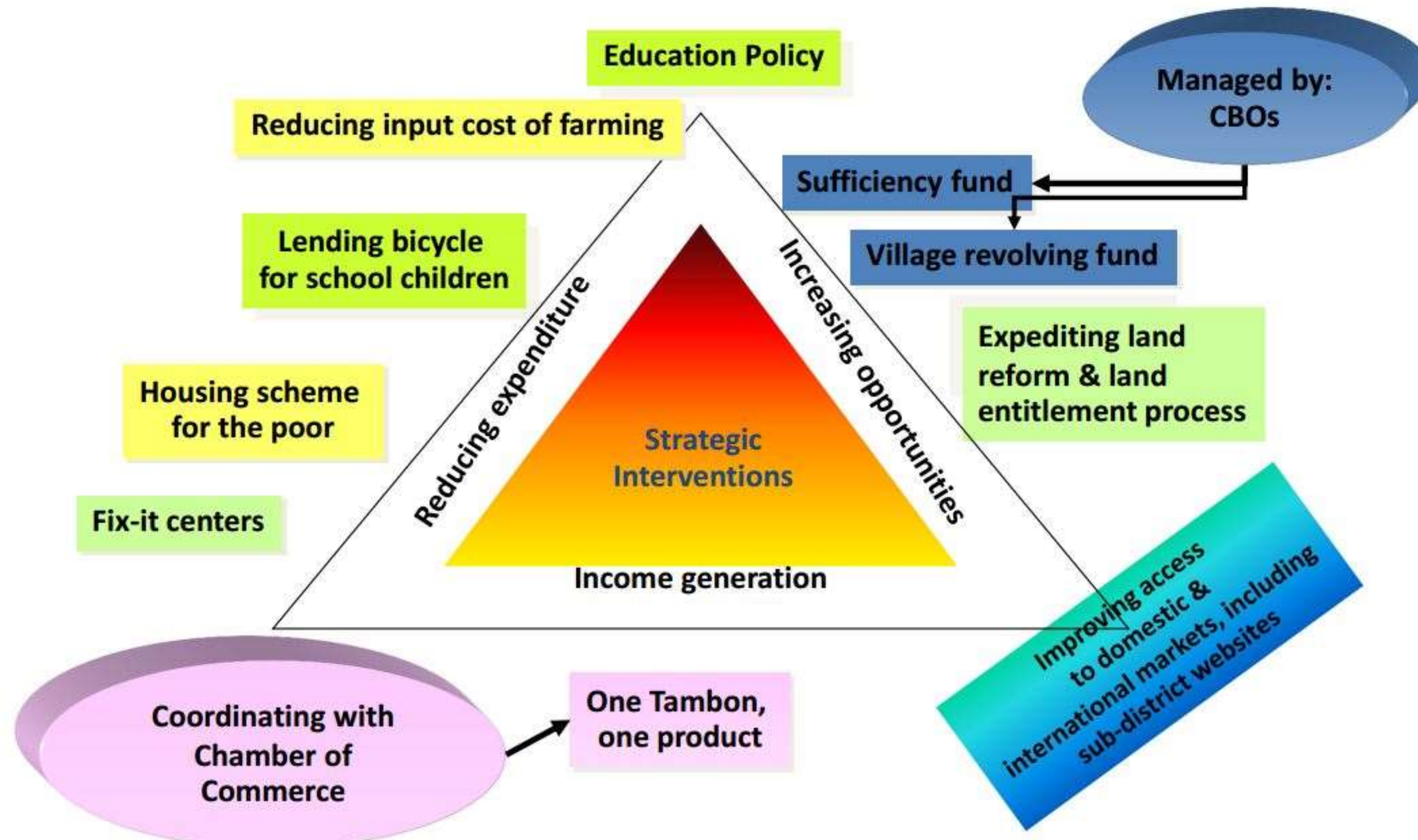


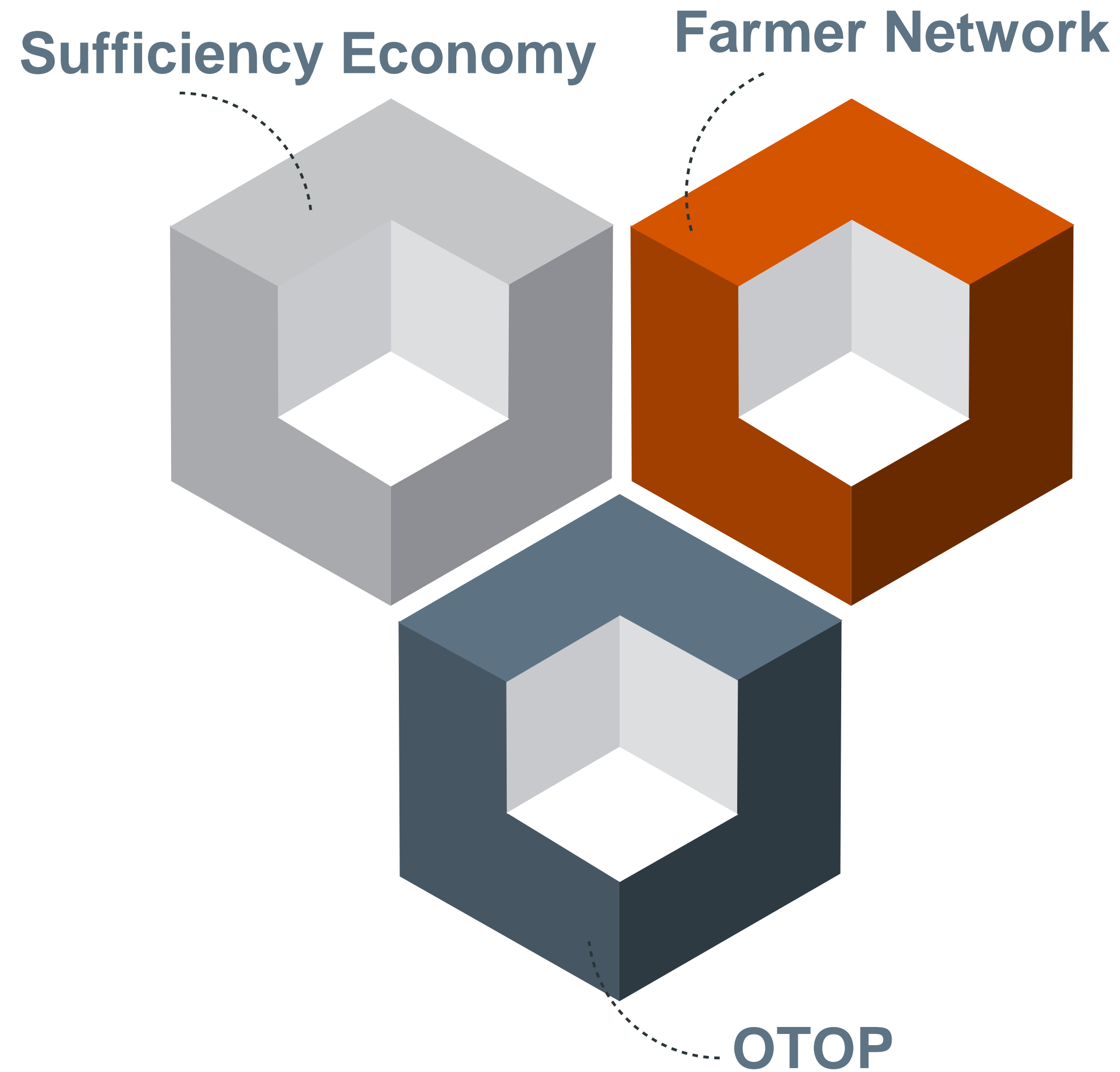
Proportion of population below the poverty line

Numbers of population below the poverty line (unit: million people)

The poverty line (Baht per person per month)

# Grassroots Policy for Poverty Eradication





# POVERTY REDUCTION APPROACHES

**2 APPROACHES**  
**3 CASES STUDY**

1. Farm productivity enhancement through
  - Sufficiency Economy
  - Farmer Network
2. One Tambon One Product (OTOP)

# SUFFICIENCY ECONOMY

## Case of Mae Hong Son

The agriculture sector continues to be one of the main areas within Thailand where principles of sustainability and sufficiency economy can be observed. It was in this field that King Bhumibol Adulyadej first assembled the ideas behind sufficiency economy.



# SUFFICIENCY ECONOMY

## Farm productivity enhancement

### Case of Mae Hong Son

#### Problems

1. The reliance on chemicals
2. Lacking of the proper schooling on application
3. Unstable price of crops

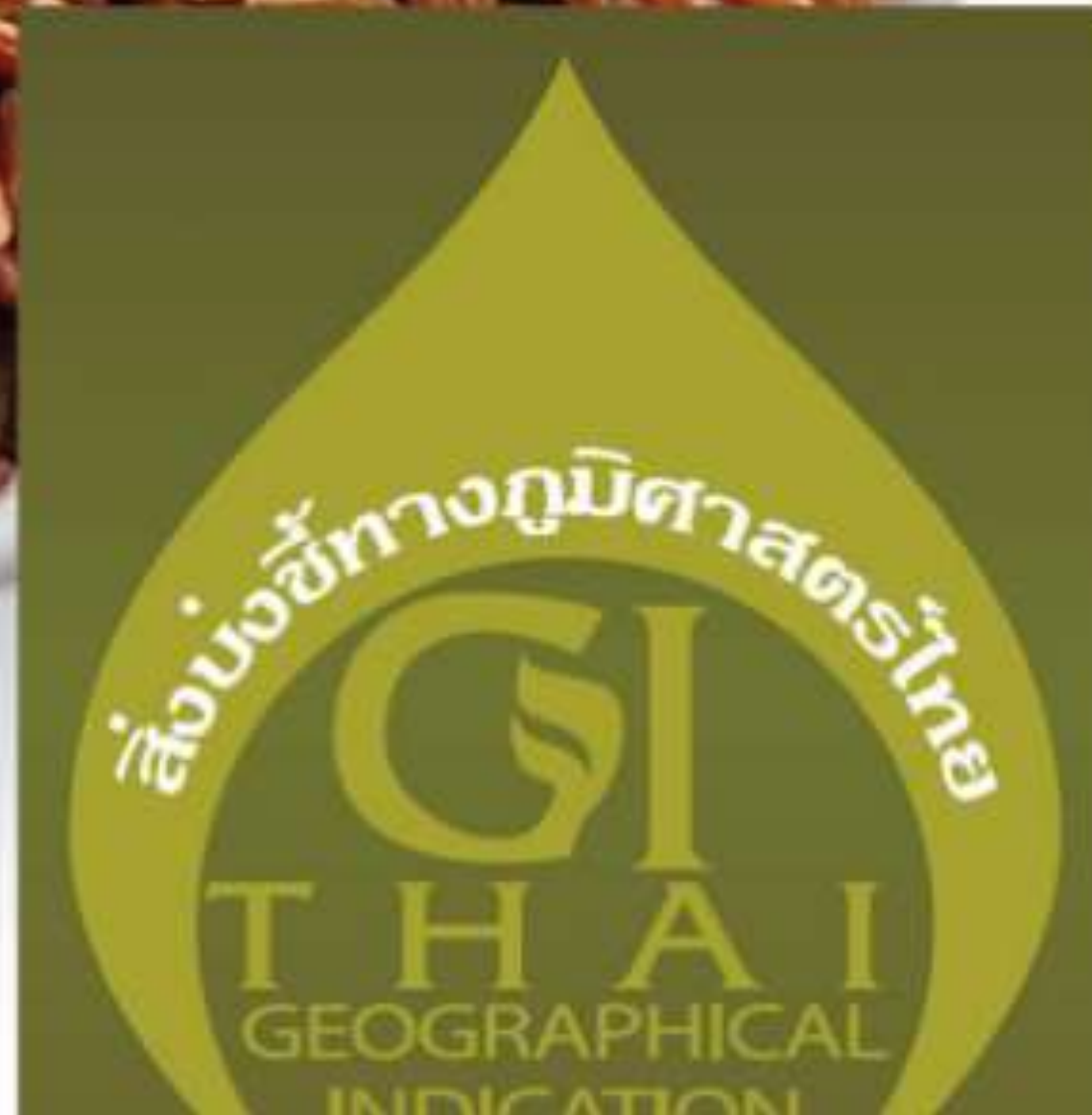
#### Mr. KAMBAO's approaches

1. Be a role model on how to apply the sufficiency economy to oneself. Emphasizes diversified farming techniques and develop communities stage by stage based on area conditions.
2. Organic farm, reduce the chemical reliance
3. Village supermarket; a channel to sell their crops to meet the market needs and help village people to reduce their expense by using benefit of economies of scale.





## Farm productivity enhancement ■



## Case of Phatthalung

**PAST** : Many species, Low productivity, Low returns  
**PRESENT** : Focusing on “Sung-Yhod” species, meet demand of market, High returns



16,705 rai in deifferent 11 District.

Through partner >> 12 farmers

Capacity of Sung-Yhod GI is 6,614 Tons/year

The logo is a dark brown diamond shape with a decorative, slightly irregular border. It is centered on a light beige background that features a faint grid of horizontal and vertical lines, as well as diagonal lines forming an 'X' pattern.

**OTOP**

One Tambon One Product

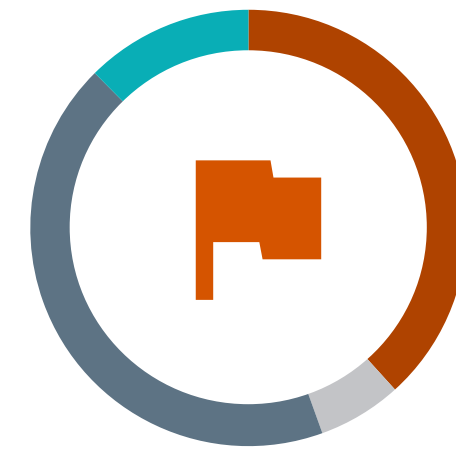
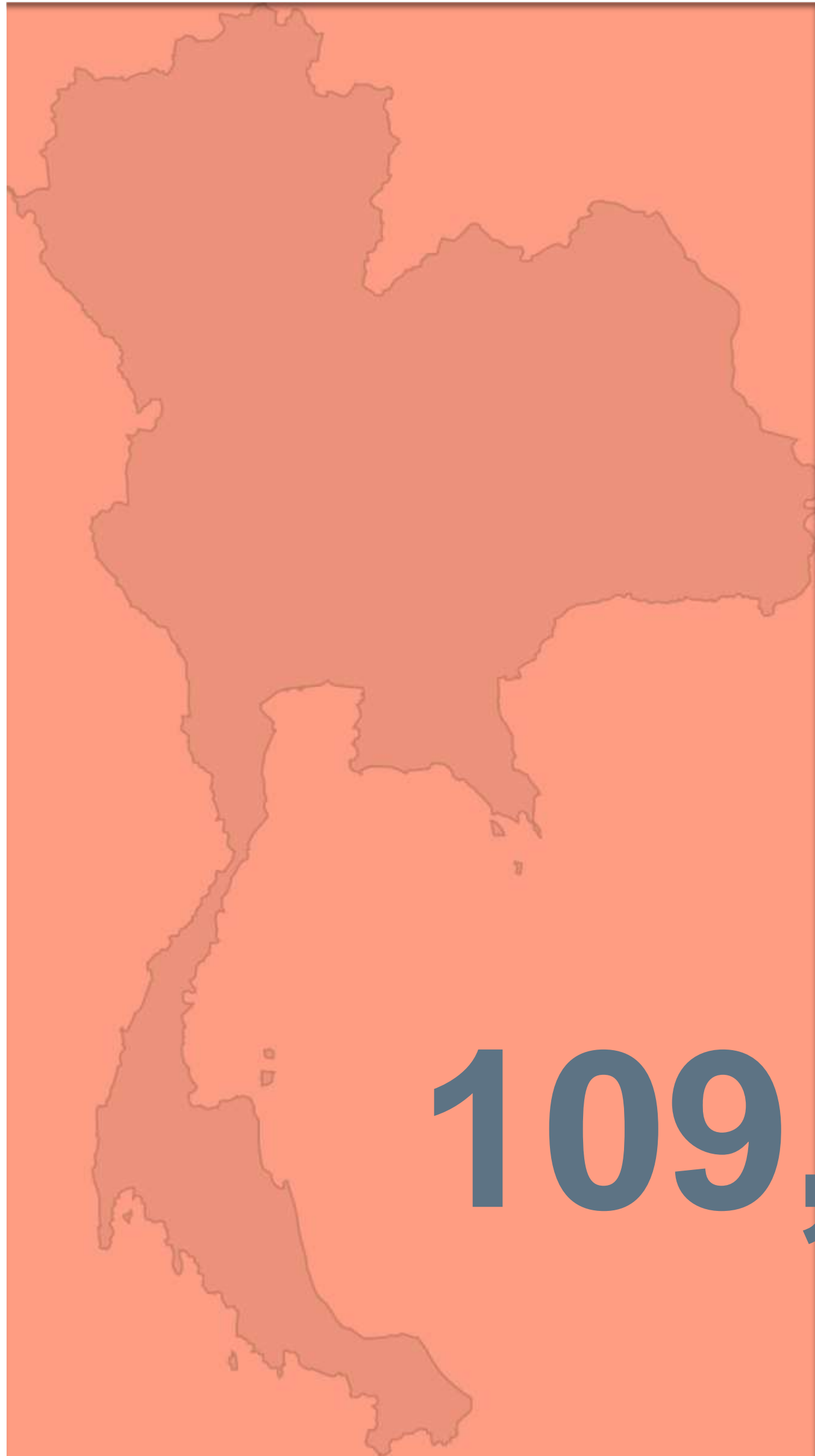
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One Decade

# THE ORIGIN OF OTOP PROJECT

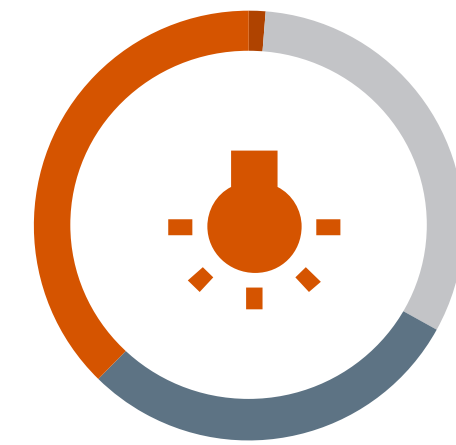
In 2001, the government wanted to put an end to poverty, as well as seeking projects that would increase the people's income and livelihood stability. The Thai Government created a national project called OTOP (One Tambon One Product) by modelling certain aspects from OVOP (a project from Japan) such as enabling villages to produce their own products from local resources for self-sustainability. However, unlike OVOP, OTOP is government-funded and implemented on a larger scale OTOP was also influenced by Her Majesty the Queen's foundation on livelihood support already operated in many rural and urban areas.





40,694

Entrepreneurs



83,538

Products

109,639,843,704

Thai Baht  
(last year)

# Three types of OTOP entrepreneurs

Merchant groups

25,227

Entrepreneurs

Sole owners

14,853

Entrepreneurs

SMEs

614

Entrepreneurs

# REMARKS

## FROM THE EXPERIENCES

1

Each manufactory is hard to find and not easy to access in some area. Moreover, it is very time-consuming to go to a province or location far away just to buy OTOP products that you preferred.

2

Mostly, OTOP entrepreneurs whose products are of 4 to 5 Star graded are always selected to be a part of OTOP fairs and have more chance to access to many distribution than 1 to 3 star graded one.

3

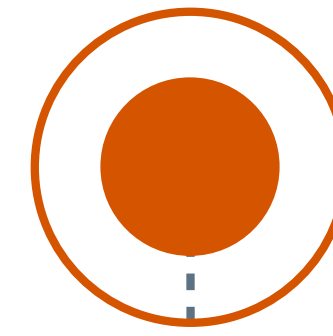
Entrepreneurs whose products are 1 to 3 stars OTOP are in need of knowledge and technology to improve their product performance and marketing strategies.

# NEXT STEP: OTOP TRADER

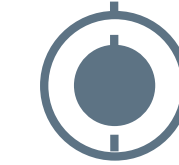
We think each province should have one specific location where all OTOP products in the provinces can be distributed there. As such, our Department would select and train one OTOP entrepreneurs, whose products are of 4 to 5 Star graded and are stable enough to volunteer as a 'middle-man' for other OTOP entrepreneurs who are less capable. The official name of these middle-man is "OTOP Traders".



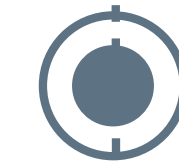
# STRATEGIES



## SUCCESS FACTORS



### 1. Human management



### 2. Great performance of sale team

- Business plan course
- Training by doing
- Sharing feedback from customers to the team

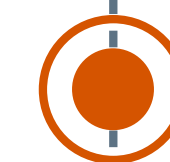




## Hardware and Software



Online  
Shopping



## Distributions/ Channels

- Trade fairs
- Product distributions in area
- Tourist attractions
- Hotel
- Online channels
- Souvenir shop

# OTOP LIFESTYLE @ KANCHANABURI



**850,000  
THB**

- \* Software
- \* Team selection
- \* Product selection

Revenue  
350,000/month



**THANK  
YOU**

