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## Effectiveness Model of the Implementation of Community Enterprise Policy in Thailand

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**Key words:** Community enterprise, efficiency, policy, members, Thailand

**Abstract:** This research aims to study to study the effectiveness of the community implementation on community enterprise policy in Thailand that practices in each region of Thailand by studying only food products to study the effectiveness of the implementation of community enterprise policy in each region of Thailand that it is different or not to study the effectiveness of the implementation of community enterprise policy that practice in each sector depending on what conditions of the objective of this research which study the effectiveness of implementation of community enterprise policy in each region of Thailand. The leadership participation of community enterprise members is very important. It focuses for members of community enterprises to have cooperation and have a network which the group that allows the authority for any negotiation which the sample groups in the research are samples of community enterprises in the North, Central, Northeast, Southern region which they are groups of food entrepreneurs that have standard 1 star and 5 stars. The government agencies are the provincial community development official, district community development Officials in different regions of the North, Central, North-East and South of Thailand included Department of Community Development officials total of 30 people whom presented in the research. The data were collected by questionnaires are analyzed by interviewing, observation, discussion within the groups. This study indicated that the effectiveness of the implementation of community enterprise policy in each region of Thailand. The community enterprise leadership participation by the members which it is very important. It has focused for members of community enterprises to have cooperation and create networks. The community enterprise groups have got the high bargaining power cause of the direct markets. The product design development for example packaging design and branding which provided by the

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government agencies. Using of the innovation and technology for the development of the quality of community enterprise product in each region of Thailand as well. The E-commerce has been applied to expand marketing channels and competition in the scheme and receive various assistance from the government for example training in production knowledge, external study visit, selling products together with the government and have funding sources for community enterprises whether it is a grant for working capital or a loan from a financial institution. Suggestion, Department of Community Development Ministry of Interior, The policies on the promotion of community enterprise operations should be determined as follows: strengthening community enterprises by supporting the learning of leaders and

members of community enterprises. Promoting the creation of community enterprise networks. Should encourage the workers involved in community enterprises to receive training to learn new innovations regularly and should allow the private sector to participate in the support of materials and equipment and academic departments of the government such as universities in the area to help develop community enterprise products Packaging design Production planning And marketing knowledge, especially, international markets. There should be monitoring and evaluation of community enterprise activities In order to operate with efficiency and sustainability. Should manage and manage all community's enterprise groups with unqualified access to funding easily.

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## INTRODUCTION

The Thai economic crisis in 1997 has undergone many economic and social reforms. This is an important mechanism for the economic and social development of the country that aims to strengthen the community to be self-reliant in order to create prosperity for the community by manipulating from local resources into attractive quality products and consistent with the community culture of each region that can be adjusted according to the economic and social situation<sup>[1, 2]</sup>.

During the period Thailand was facing economic crisis. The Government has presented the Community Enterprise Promotion Act for approval by the Senate on 8th November, 2004. The bill was approved by the House of Representatives on 10 November, 2004 and published in the Government Gazette on January, 18, 2005, effective 19 January, 2005. Later, it has become the policy of the government to solve the overall problems of the country because community enterprises are community capital management on the basic principles that the rural sector needs to be strengthened, promoted the usage of local wisdom. It is the development of human resources and fostering the creativity of the community. The government supports the knowledge, technology, capital, administration and community management. The Connection of products from the community to the market both in the country and abroad with the market system, community network, community and E-commerce. The 12th National Economic and Social Development Plan (2017-2021) aims to strengthen the economy that able to compete with stability and sustainability strengthening of production and basic of services, new base was expanded through innovation, especially in the economy foundation<sup>[3]</sup>.

Community Enterprise is Government Policy formed by the gathering of people in the community to carry out creative management of community funds by the community in order to generate income at the grassroots

level<sup>[4]</sup> but community enterprises are based on knowledge-based operations, Local wisdom, culture and value the use of resources that available in the community, self-reliance in the community and between communities but it has not yet appeared to be a progressive community enterprise which it is the systematic management that has been integrated. There is technology to support the production of community products and so on. Most of the community enterprise operations are still an established way cause of disadvantage especially how or what to do to make community enterprises successful called "Efficiency" because of economic conditions, society and politics in the country which constantly changing, and affecting the domestic economy causing the community economy to be affected as well. Therefore, a number of community enterprises are still at the level that are not ready to compete while the community of producers always produces the same pattern and style of products and does not develop product variety and uniqueness. They should be encouraged to help each other and get any support from the government, leading to the expansion of the community enterprise completely.

### Objective:

- To study the implementation of community enterprise policies in each region of Thailand by studying specifically on food products
- To study the differences in the effectiveness of the implementation of the community enterprise policy in each region of Thailand by studying only food products
- To study conditions that affects the effectiveness of the implementation of community enterprise policies in each sector of Thailand by studying only food products

- To synthesize an effective model of the implementation of community enterprise policies in Thailand

[including environment protection scheme, geography, economic and social policies that are beneficial and relevant to this research.

## MATERIALS AND METHODS

**Population and group sampling:** Population in this research, they are; chairman of the hd community enterprise groups. In Nnorth region, Chiang Mai Province and Chiang Rai Province. In Central region, Nakhon Pathom Province, Suphanburi province and Bangkok. In Northeast region, Nakhon Ratchasima Province and in Southern region, Phatthalung Province.

**Government officials by a focus group discussion:** President and member of the Community Welfare Groups in north region, Chiang Mai Province and Chiang Rai Province. In Central region, Nakhon Pathom province, Suphanburi province and Bangkok. In Northeast region, Nakhon Ratchasima Province and in Southern region, Phatthalung province.

**Research tools:** Open-ended Questionnaires are assigned to respondentstested independently of the opinions has been set in the questions. The cause of profound information and reflect the real feelings. The tools used in this research were developed in accordance with the research objectives. They consist of a structured interview questionnaire which the questions affected the implementation of community enterprise policies.

Examination of qualitative research instruments that the researcher brought the interview form to the main advisor, associate advisor qualified person specializing in community enterprises to contribute opinions, review, revise and improve the interview form to be more complete. So that, the interview form can clearly convey meaning and obtain relevant information according to the research objectives.

**Research data collection:** Primary data collection by collecting data from a sample that using various tools called structured interview and non-structured interviewobservation, interviewsrelevant stakeholders in industrial standard quality of fresh food and processed food products.

Secondary data collection is the researchfrom documents and various research studies that have been studied and related to research studies including documents from the government authorities, libraries and from documents and websites which collect information about the background of the community enterprise project

## RESULTS AND DISCUSSION

**Data analysis:** This research has stages to analyze the data as follows. Methods of Collection of Information by in-depth interviews to the administrators at the sub-district, district, province and directly related project staffs.

Data analysis for in-depth study data, qualitative data will be taken. The Analysis of key information (key informants) is the entrepreneur community enterprise three chairpersons of the community enterprise group of the Northern region who received the 1 star community enterprise standard and 3 chairpersons of 5 stars community enterprise standard.

**Potential of the leadership:** The leader of community enterprises whom have high potential of broaden vision in searching knowledge of the community creation and transfer of knowledge to community enterprise members to apply in the community, culture, tradition, local wisdom from their ancestors to implement. The leader of community enterprises do the networking and participation in all events, join the training and get to know how to operate all dimensions that leads the development of community enterprise products to be success through the innovative and cutting-edge technology, especially, E-commerce to promote market competence and competitiveness while the financial promotion is carried out by the capacity of the community enterprise itself and it has been suggested to use state-owned financial institutions as a source of finance for community enterprises. The government agencies are the key units of community enterprise development because community enterprises are established by people in the community which is the foundation of community enterprise. The government agencies operate on community enterprises over the past several years. The government sector continuously develops policies to support the management of a joint integration with a concrete management. The government in general supports the training of community enterprise to the community leaders and members in order to develop training courses in various fields for community enterprises to develop their products in full-scale promotion of the innovation and technology in community enterprises to promote marketing ability and competition to expand overseas markets and another important thing is the financial support for community enterprises.

The research results were found that Community enterprises are formed by grouping together with community leaders, consist concept for the job creation. There is the awareness of the problems in the community and through the guidance of government agencies that want to develop by generating additional income for the people while the community enterprises have strengthened the number of members has increased the member's initial investment from fund raising from members in the community enterprise.

The last for the leader of community enterprise is to promote marketing ability and competition to expand overseas markets and the most important thing is financial support for community enterprises continuously. Subsequently, community enterprise leader needs to request for any support from government agencies to get budget to support their operations, providing members of training and some knowledge in areas of product design, production record, maintaining the quality products that convey local cultures and pricing. The leadership makes community enterprise members to have knowledge and skills in accounting, create the development plan for members that able to express their fully opinions and join the product plan, share the profits to their members, focus on promoting learning processes and developing community capacity for managing community capital, use the local wisdom and culture on the products, support community affairs rather than supporting in the form of factors and grants to the community which is organizing an exchange knowledge forum by inviting experts and folk philosophers to contribute knowledge of folk wisdom.

The leaders of the community enterprise focus on bench marking tour on production management, marketing and attend training on knowledge management and utilize knowledge within and outside the community to develop community enterprises that can be the extension of local wisdom combined with new technology and modern product design and the practicality of community enterprise products. In addition, community enterprises were also allowed to become the subcontractor of the products, improving economic status of community enterprise because more additional income for them. In addition, the people in the community do not need to find job out of their community.

**Networking and engagement:** Networking and community enterprise participation by using information systems for enterprises, communities and networks to create information linkage, news and knowledge among enterprises. The communities and networks operated in a manner of integration and link information between community enterprises and agencies, especially, basic community enterprises where produce mainly for local

use and progressive community enterprises that can be brought into large markets because of their unique characteristics and have a very unique local identity, some of which have the secret producing good quality, standardization that able to compete. The community enterprise products have developed their products both in terms of quality and international standards, creating a differentiated product, develop an understanding of resource conservation that is used as an environmentally friendly raw material. (eco-product), innovation and technology which encourages members or employees to propose creativity from the thinking process and getting the best answer, provide customers valuable products to build trust. The integration of culture, wisdom and innovation of technology are able to development community, government agencies, especially the Provincial Agricultural Office where sending officers to coordinate with educational institutions<sup>[5]</sup>.

**Training and education for community enterprises:** A wide range of training models including formal training at training institutions and online training which community enterprise produce products with quality and standards under the supervision of the agency under the Ministry of Public Health. The products were examined for certification from the Provincial Health Office and the Provincial Industry Office. Community enterprise produce products by using local wisdom knowledge and transform them into products according to the needs of consumers. There are some educational institutes assist for designing without payment. The importance of awareness of branding to be accepted and develop a unique style especially the packaging design, package which they are very important for the market today making consumers aware of the types, characteristics of the products and maintaining the identity of local culture of community enterprises. Then, the consumers have greater confidence in the product and take part in the pride of its uniqueness that can expand the market and maintain market share as well as helping increasing sales for their products. Finally, consumer perception of the value of the product, the products that use the raw materials, local resources. In case of raw material not enough, other networks will be supported. The community enterprises are also sold through the local marketing and expanding into the external network market using electronic commerce (e-Commerce) creating websites and web pages for business for promote marketing and competition while community enterprises are invited to exhibitions every year or every exhibition seasons by direct selling system, so that, members can get discounts and allow members to resell. The community enterprise products distribution have a variety of channels, for example, through intermedia for selling products including the ongoing exchange of information between sellers and how we can encourage

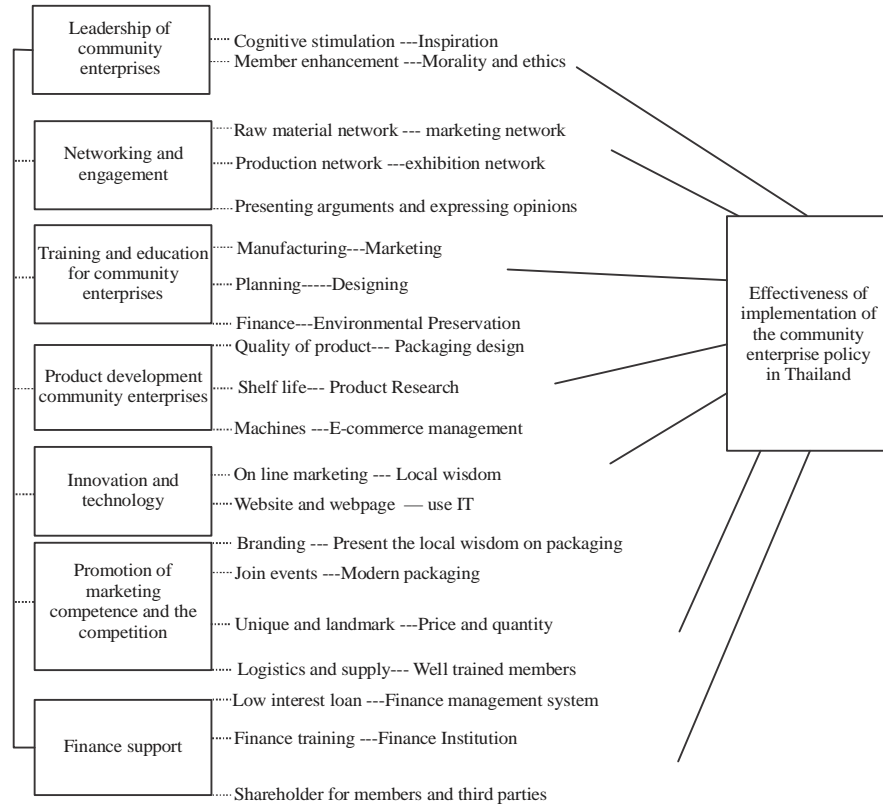


Fig. 1: Potential of the leadership

procedural knowledge creation and knowledge utilization. Furthermore, learning how to do involves the practical application of knowledge processes.

**Product development:** Marketing and competition are about developing standardized packaging and able to extend product life to support the transportation of products to distanced customers and for the benefit of stock management and expanding distribution channels because the products of the enterprise are in demand in the market but there are restrictions on the delivery by the way there is a completed distribution channel to support the production of products (Fig. 1).

**Innovation and technology:** The implementation of information technology for marketing, advertising and product promotion through various online media such as the official website or the creation of a website to promote products and for self-sales bringing technology to help in operations. The government sector enhances the skills of community work and labor members, especially the skills in knowledge using tools and machines which the researcher observed that community enterprises use modern technology but the members still don't have enough skills for these modern technologies will lower all operating costs and this skill

will make it easier to reach their goals, enabling community enterprises to compete with foreign countries.

**Promotion of marketing competence and the competition:** The community enterprises have the expertise and to find a way to sell their products in partnership with large private sectors where may not have the expertise to produce community-owned products. Therefore, depend on each other due to the government action and support in marketing and competition educating community enterprises training to create new ideas and innovations in community enterprises. The community enterprises have the expertise and expertise to find a way to sell their products in partnership with large private sectors who may not have the expertise to produce community-owned products. Thus, depend on each community enterprise that action by the government agencies and be supported in marketing and competition, educating community enterprises training to create new ideas and innovations in community enterprises.

**Financial support:** On the issues of finance and accounting management which is an important factor for enterprises that it is the problem of funding raising sources from financial institutions or working capital. Which part of these problems are caused by Community

enterprises have a systematic organizational financial and accounting management and there is a policy or planning to use the money to run community enterprises. The government agencies should have the training course on the utilization of accounting information obtained from accounting records for example financial reports or inventory record as well as organizing activities or trainings that promote a good attitude in the accounting preparation in order to obtain financial reports. So that when the community enterprises are aware of the benefits of the financial reports obtained from the accounting records that have been aware and seen the importance of finance for further management. because the preparation of financial reports to inform the operating to get the results and financial status. In most cases, financial reports are prepared as convenient when the members want to know the latest performance. However, most of the accountants are aware of and perceived the benefits of preparing the community enterprise entrepreneur report and manage for financial management vision into the community enterprise business plan and make it. Finally, community enterprise need to know the principles of financial management and correct accounting management and seek for advice from the services of various government agencies for the finance development of their community enterprises (Fig. 1). Effectiveness Model of the implementation of community enterprise policy in Thailand.

## **CONCLUSION**

This research study is employed in the effectiveness of the implementation of the community enterprise policy in Thailand found that potential of community enterprise leaders at 1-star and 5-star of community enterprise standard that have systematically linked the activities of the operation but have not yet continued or there are many integrated operations with the community enterprises where the researcher collected the data found that the products they produce were the first produced for community use until they were in demand by other localities. It made community enterprise members known about the activities and participation of the 1star and 5star of community enterprise standard while community enterprises have few members. In case of each aspect of the operation is considered by event planning. The members do not participate in some areas but focusing on their participation in many activities. Regarding receiving benefits, the monitoring and evaluation, the members are still less involved. The community members have different responses to the operational needs of community enterprises on some issues while the networking is also different compared to the large number of community enterprises that exist. The members have been trained in the treatment and rehabilitation of natural resources and

the environment that does not destroy the environment. 1star and 5 star community enterprise standard have been done, promoting safety awareness for the community and local to be models for other community enterprises while the 5-star community enterprises standard emphasize knowledge for development to the members to obtain various certification standards in community enterprise products for example food manufacturing enterprises and develop them to be certified by the Food and Drug Administration (FDA) or to develop themselves to get a Community Product Certification (CMU).

The 1star community enterprises standard produce only few types of food cause of less value. The expertise and experience of the members are less equal that able to make the community products to get quality. The community enterprise members lack of knowledge of the implementation plan. The management structure has not been implemented properly even the local educational agencies assist on packaging design but still do not have the capability to purchase the packaging that needed cause of high cost. Therefore, various community enterprises, so it is the mandatory matter to develop community products and packaging design with their own by using local resources, raw materials or order direct from factory at a very affordable price.

In some community enterprises, the members were poor, mainly due to the lack of quality and modern materials and equipment. Additionally, 1-star community enterprises standard use local resources which have been limited at some point. Therefore, there are costs on raw material quite high because of the pricing depends on the supplier. Some community enterprise use local ingredients, especially from those derived from natural resources cause of shortage of raw materials then community enterprise supposes to preserve the local resource and environment sustainably. Meanwhile the 5-star community enterprise is well equipped with the production, packaging design, raw materials and management, so as not to cause of problems but some 5-star community enterprises lack experts and speakers due to the limited number of government officials to assist. The community enterprises have been operating since their ancestors. Therefore, it is difficult to integrate technology into food products because community enterprises lack of knowledge, development, and innovation in the area of product development to achieve higher standards. The studies have shown that many 1 star community enterprises have not been working with technology completely for creating a website or web page for online marketing. The community enterprises of 1star community enterprises standard have been developed but lack of trainings and understanding in management. They produce community products as of their own expertise while the 5 stars community enterprises standard able to expand the market to increase their market. There are

strategies that can attract customers as it is a progressive community enterprise. It has been trusted and well known to customers and dealers according to the trend of healthy and natural food products. This study on the effectiveness of the implementation of Community Enterprise Policy in Thailand. The results were found that the model was initiated from.

### **SUGGESTION**

The results of this research obtained the following academic recommendations. This study has been able to establish that successive governments in Thailand for too long and have neglected rural communities. The community enterprises and government agencies in each region of Thailand involved their work together to create greater acceptance of the community enterprise products that increase the market in Thailand and be able to target abroad. The community enterprise is able to transfer or exchange knowledge to other community enterprises by organizing the bench marking tour. The government supposes to support the knowledge on administration and community enterprise management for example accounting, innovation and production technology, higher level of product design, branding, marketing management provides by educational institutions from local universities and colleges to help and support on academic matters. The government agencies on financial should recommend the finance institute for the low interest loans for entrepreneurs to start their own businesses or develop products to be more recognized. There should be plans in the future regarding expansion community enterprise including the organization of work systems to support work expansion for example manpower, transportation system, accounting system because at present there are problems on production that cannot be produced in time in spite of the product is in greater demand.

There should be a successful exchange of knowledge with other community enterprises in order to build up the knowledge of the community enterprises that are successful because there may be fundamentals and factors that differ from community enterprises promote networking of community enterprises to exchange and learn for example in production and marketing promotion methods. Regarding the advancement of community

enterprises in building a community economy system that should be a reduction of working steps, paper work and registration in various industrial product and adding more channels to contact for any assistances. The results of analysis presented that contextual factors play crucial role on the community enterprises initiatives and the development process providing theoretical framework which might be used for further research in fostering community enterprises initiatives in the different institutional context by government agencies or business. Another direction might be based on searches of empirical evidence of proposed conceptual framework and the direction could be a deeper insight in how entrepreneurs replicate social initiatives to foreign markets and focus on international market and community enterprise issue. It will have been suggested that this research will lead to the development of individual capacity, increased community confidence and community enterprise capital.

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