

**Community Enterprise : People Empowerment  
THAILAND Lesson Learn**

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## Community Enterprise : People Empowerment 1/

### THAILAND Lesson Learn

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Thailand is located in Indochina Peninsula with a total area of about 514,000 sq km. Her territorial boundaries connect with Malaysia in the south, Kampuchea in northeast to east, Laos in the northeast, and Myanmar (Burma) in the northwest to west.

Geographically, the country may be divided into four regions. In the central, northern, northeastern and southern regions, altitude modifies the temperature considerably. It cool enough in the northern region to produce temperate fruits, vegetables, and some kind of flowers cool and dry in northeast region, and modestly humid in the central region. These three regions have three seasons: rainy during late April. In the southern region, there is not cool season and the climate is wet, but is tropical and monsoonal, influenced by the southwest monsoon except for the south. Average annual rainfall and temperature vary, ranging from 998-4,603 mm. for precipitation and 24.4-29.3 °C (76-85 °F) for temperature.

Bureaucratically, Thailand is divided into 76 provinces, each headed by a governor. There are 998 districts and districts branches 8,860 sub-districts, and nearly 67,941 villages in the 76 provinces. The population in 2009 was 63,396,000 people, of this amount, 64 percent reside in the rural areas. Approximately 90 percent of the rural people, or almost 5.2 million families, earn their income through subsistence farming, particularly rice cultivation and field crop production.

In Thailand, 51 % of population are engaged in agriculture. Most of them grow single crops such as rice, cassava, sugar cane etc. The proportion of income per capita of those engaged in agriculture to other sectors is 1 : 13 Several development

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1/ Paper presented to workshop on "The Role of SME's on Poor Power Empowerment" 28 - 30

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2/ Director of Community Enterprise Promotion and Network Management Division, Department of Agricultural Extension, THAILAND.

programs have failed because there were no realistic assessment of limited resources base of small -farming system. The survival social economic pattern of the householders was not taken into full account. Our basic assumption is that small-scale farmers in Thailand will be responsive to development effects if the technology fits their need aspiration and environments.

From the above information, basic problems of the poor farmers in community can identify in to 4 major problems:

- (1) The production is not sufficient for living.
- (2) Incapable of debt management.
- (3) Uncarefully utilization of resources.
- (4) Too much relying on resources from outside.

Many communities try to solve their problem by formulate the small enterprise group under concept of “Community enterprise” that can run their business for income generation and make “self-reliance system” in community economy.

Community enterprise have been organized in many communities both in rural and urban area since more than 15 years ago. Previous economic development policies caused economic change, resulted in poverty of rural communities. Many communities solved their problems by getting to know themselves, analyzing their problems and starting community enterprise.

The two important problems of local entrepreneurs

1. No legal status for local entrepreneurs
2. Provision of supports does not respond to local needs

The Government solve those problem by the promulgation of Community Enterprise Promotion Act B.E. 2548 (2005) which has come into force on January 19,2005.

#### **Objectives of the Community Enterprise Promotion Act B.E. 2548 (2005)**

- To promote Knowledge and local wisdom, income generation, and mutual assistance.
- To develop management capacity.
- To develop operational procedures of the community enterprise which can enhance the community’s self-reliance and strengthen its

economy.

### **Essences of the Act**

- Register local entrepreneurs certify their status as the community enterprise.
- Establish the Community Enterprise Promotion Board.
- Set up the promotion/support measures.
- Be under the Prime Minister's supervision
- Authorize the Department of Agricultural Extension to act as the Secretariat Office of the Community Enterprise Promotion Board, and the Provincial Agricultural Extension Office as the Secretariat Office of the Provincial Community Enterprise Promotion Board.

### **Definition of "Community Enterprise" and "network"**

The community enterprise is activity related to production, services and other business undertaken by local community who shares common ways of life and form together to run their business for income generation and self-reliance in the family, within and across the communities.

The community enterprise network is a group of local people joining together to carry out activities for the benefits of the community enterprise, in network.

### **The benefits from being the Community Enterprise**

- The groups are certified by law.
- The assessment of groups' potential is conducted to know their strength and actual needs, thereby enhancing suitable development plan in line with their readiness.
- The groups have the rights to gain supports to develop their activities based on their needs and in line with the Committee's criteria.

### **Sustainable activity of Community Enterprise**

- Focus on activities which stem from the resources and local wisdom in the community.
- Produce primary products sufficient for the community's consumption.
- Place an emphasis on the concept of "cost reduction, increased Income, and debt management"
- Be relevant to the community plan

- Aim at self-reliance, benefits, and happiness in the community.

### **How to get support form the Act?**

Interested local entrepreneur group can apply for registration at the Department of Agricultural Extension.

<b>Registration System</b>
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### **The requirement to be registered**

- Form a group consisting of at least seven (7) persons who are not in the same Family.
- The groups intend to engage in one activity or more.
- The groups cooperate in drawing up community enterprise plan or identify activities which are in line with the community plan.

### **Required documents for registration**

#### **For non-juristic group**

- A letter of authorization signed by no less than a half of total group members or a copy of the group's meeting resolution concerning the authorization of person to apply for registration
- A copy of the authorized person's identification card
- A name list and address of the group members together with the copy of their identification cards
- A copy of the community enterprise network's regulations (for the registration of community enterprise network only)

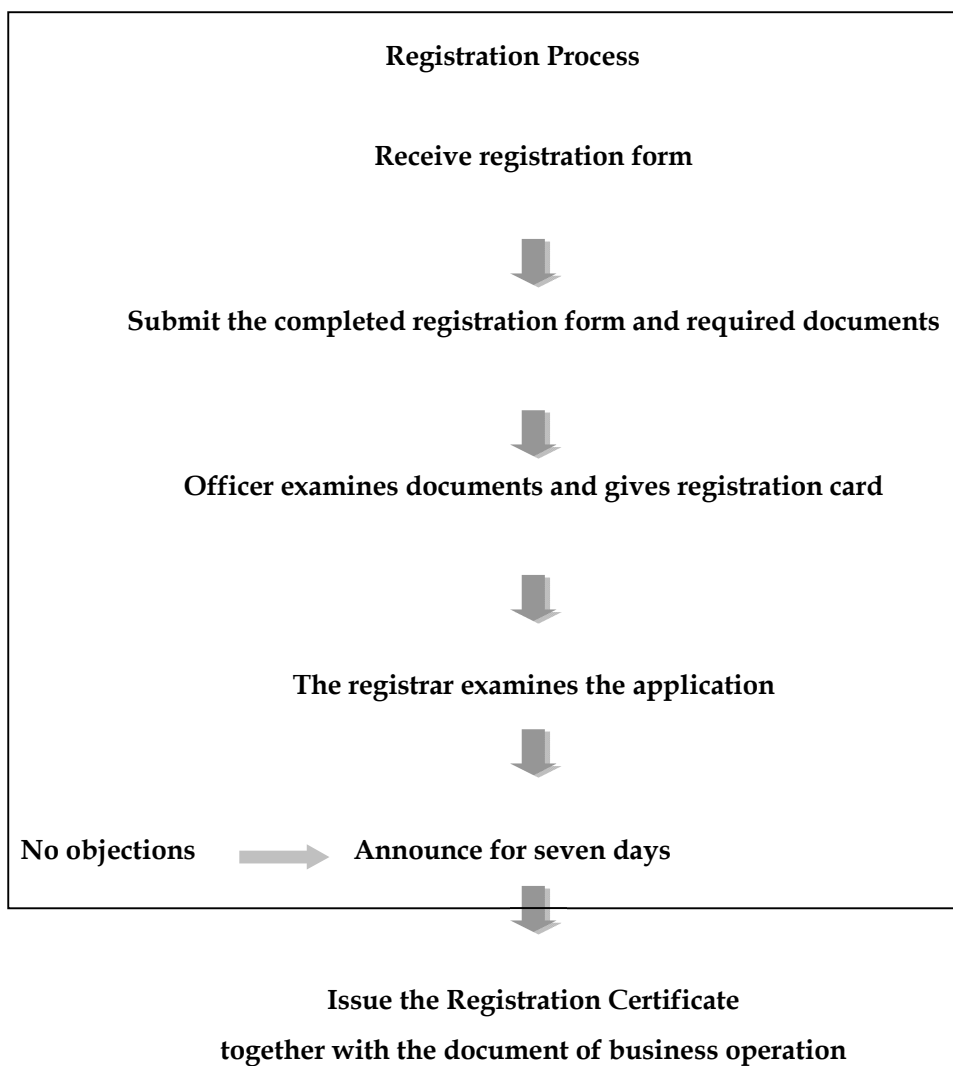
#### **For juristic group**

- A copy of document stated the business' objectives
- A copy of the name list of the Board
- A copy of the resolution of the Board's meeting or that of the General Meeting concerning the registration application
- A name list and address of the members
- A copy of the community enterprise network's regulations (for the registration of community enterprise network only)

### **Information to be filled out in the registration form**

- Name of community enterprise or community or community enterprise network to be registered

- Address
- Name and address of the authorized person
- Number of the members
- Business/activities to be operated



All information are input in “Real time system <http://smce.doae.go.th>”

#### **Registrar**

Head of District Agricultural Extension office in every 998 districts

**Community Enterprise Promotion Board**

There are 2 level boards

1. Central Community Enterprise Promotion Board contain with 28 committee members which are half representatives from government organizations and half from non-government, In the part of non-government, there are 10 community enterprise representatives and 3 experts from deferent area. The chairman of the committee is Prime Minister or appointed Vice Prime Minister. Secretariat is Director General of Department of Agricultural Extension.

2. Provincial Community Enterprise Promotion Board in 76 Provincials. Contain with 20 committee members which are also half from government organization representatives and half from non-government. In this level, there are 6 members from community enterprise representatives and 3 experts from different area. Chairman of the committee is Provincial Governor or appointed Vice Provincial Governor. Secretariat is head of Provincial Agricultural Extension Office.

The Department of Agricultural Extension and Provincial Agricultural Extension Office are authorized secretariat office of the Central and Provincial Community Enterprise Promotion Boards.

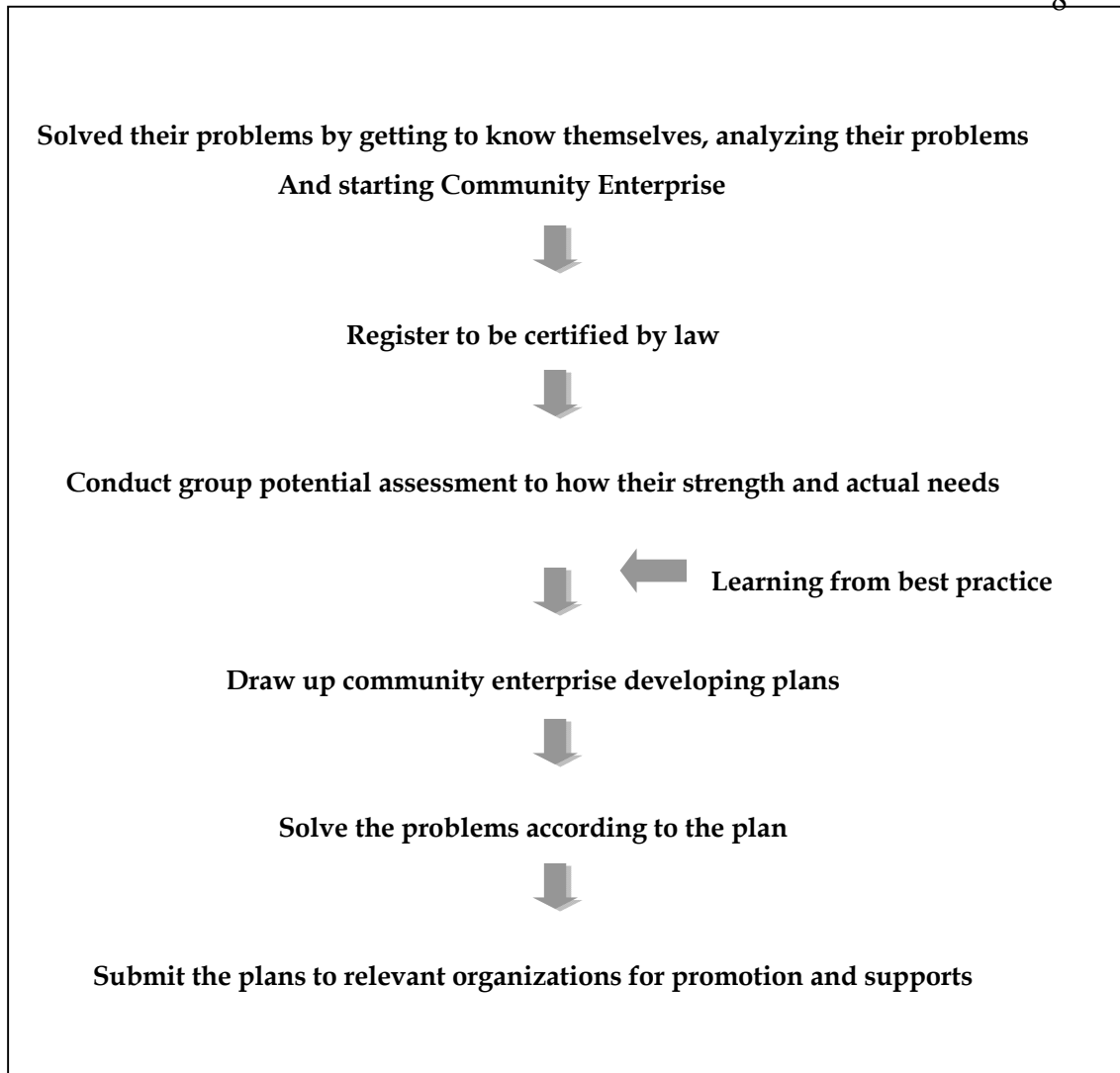
### **.Community Enterprise Development Strategies**

Community Enterprise Promotion Board formulate strategies for community enterprise development.

1. Promote learning, research and development of communities.
2. Promote community enterprise management and administration for self-reliance.
3. Promote and support community enterprise and community network.

### **Community Enterprise Promotion Process**

Promotion Process for develop community enterprise use concept of “learning process” that start from getting to know themselves, to know their problem, resource, need, potential and learn more from outside and make their plans by the decision of members group under their potential.



### **How to conduct group potential assessment**

The community enterprise have to conduct groups potential assessment by their own way as they like. The Department of Agricultural Extension create potential assessment system to help community enterprise to evaluate themselves by use theory of Total Quality Management (TQM) to evaluate process and outcome in 6 basic requirements in process.

1. Vision and learning system of the leader and group members
2. Implementation plan
3. Market management
4. Knowledge and information management
5. Member management
6. Product and service management



### **Best Practice**

In the Learning Process, community enterprise need to learn more from other enterprise group to study their practice, the concept of the best practice the problem solving and get idea for formulate their own plan under their potential.

The department of Agricultural Extension and other related organization support by select the best practice group in the country for community enterprise learning system.

### **Criteria for select best practices group**

1. Learning process
2. Group Saving system
3. Diversity of enterprise under concerning of wisdom and resource
4. Social Welfare under commitment of members

### **Key success factor**

Community enterprise can make decision to develop their development plan in line with their readiness by concerning with their potential.

### **Current Community Enterprise Development situation**

Most of community group need to register to be certified by law. Current number of registered community enterprise is 64,531. Type of activity registered are 2 main activities.

**Product** : Crops, livestock, food processing, garment and textile, production factors, handicrafts, fisheries, herbal products, artificial flower, beverage, souvenir, wood craft/furniture, metal craft, Jewelry, pottery, leather, machinery, and miscellaneous.

**Services** : Community savings, community stores, health services, agro-tourism, machinery fixing, and miscellaneous.

The highest number of activity registered is crops production. The number of registered community enterprise show in table and graph.

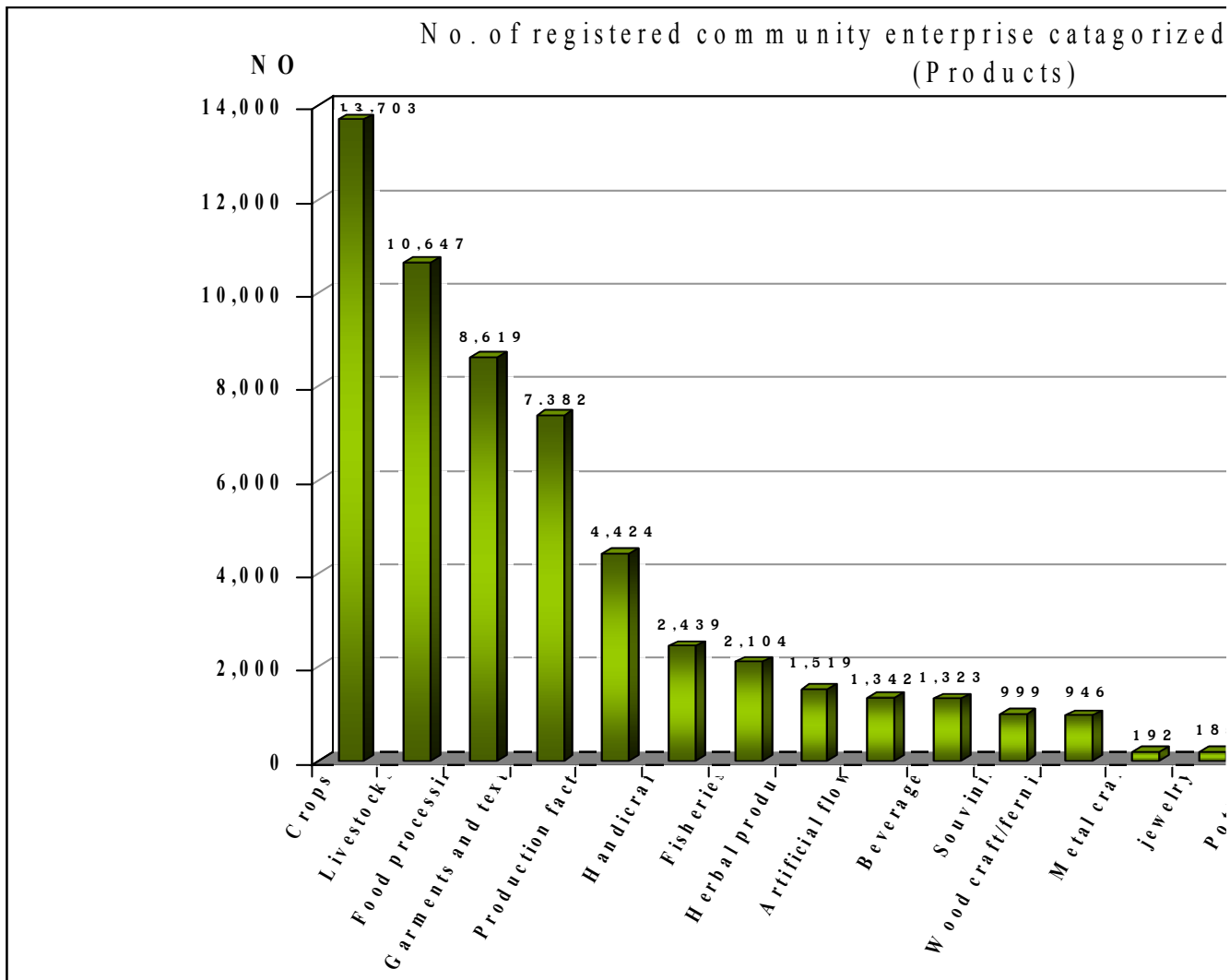
**Table 1** : No of registered community enterprise and community enterprise network categorized by types of activities.

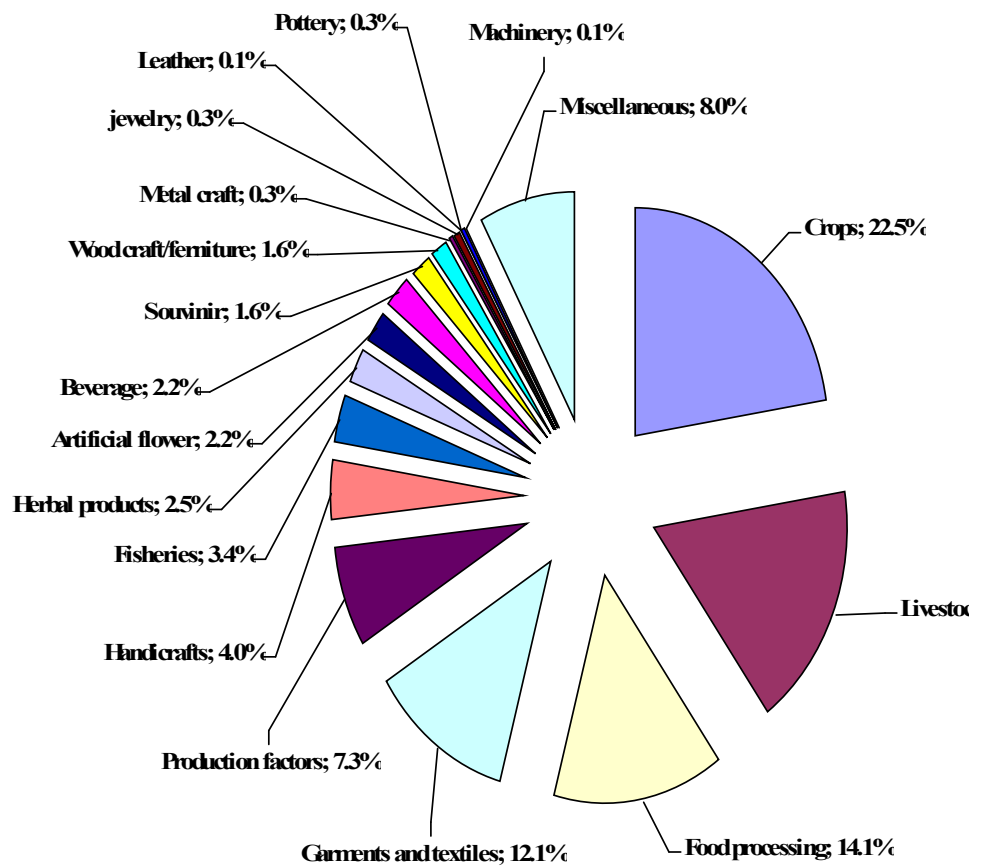
**Products**

Types of Activities	No of C.E.s registered	No of C.E.s networks registered
1. Crops	13,703	65
2. Livestocks	10,647	24
3. Food processing	8,619	42
4. Garments and textiles	7,382	29
5. Production factors	4,424	22
6. Handicrafts	2,439	7
7. Fisheries	2,104	5
8. Herbal products	1,519	6
9. Artificial flower	1,342	4
10. Beverage	1,323	7
11. Souvenir	999	5
12. Wood craft/furniture	946	3
13. Metal craft	192	1
14. Jewelry	185	2
15. Pottery	153	-
16. Leather	87	-
17. Machinery	57	-
18. miscellaneous	4,867	18
<b>Total</b>	<b>61,288</b>	<b>240</b>

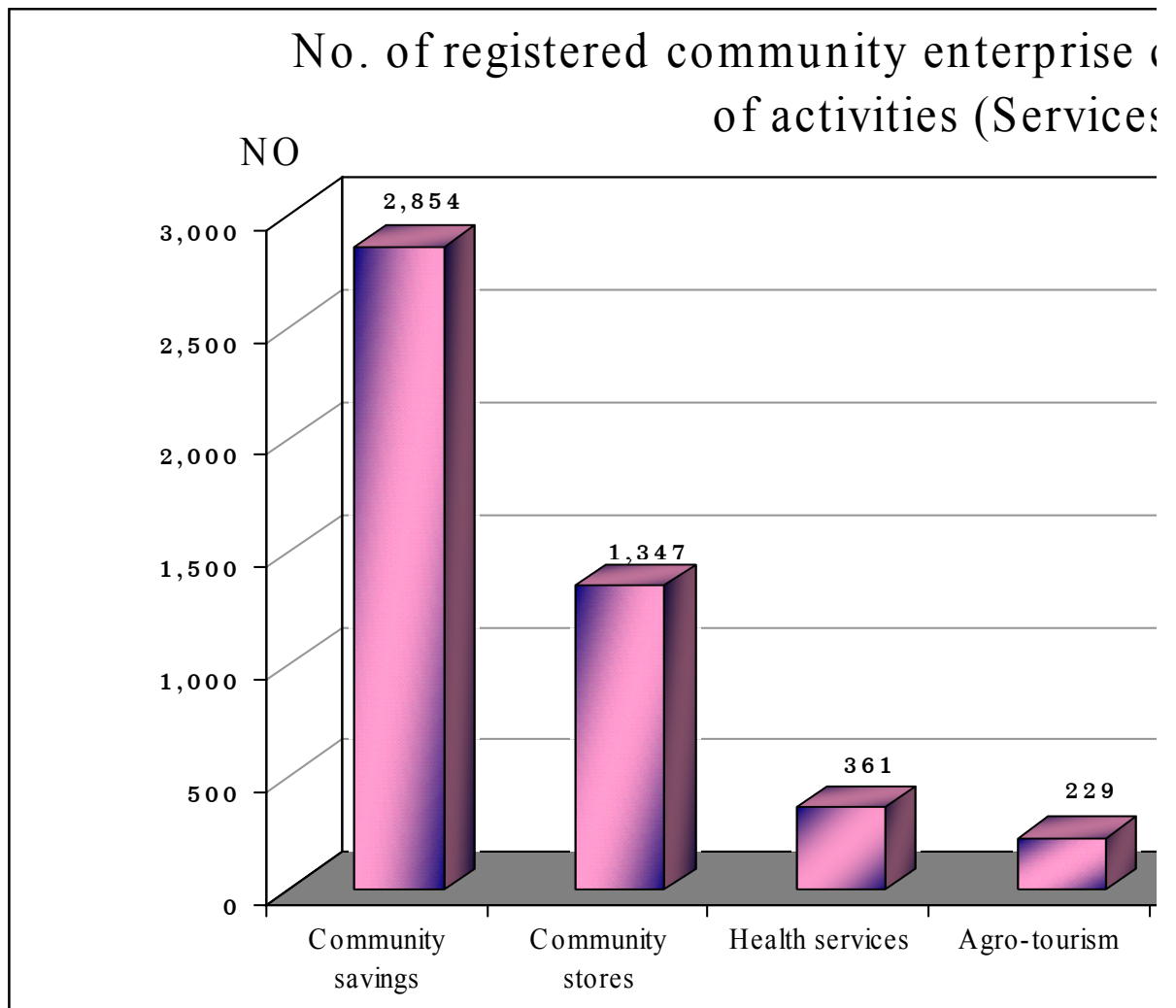
**Services**

Types of Activities	No of C.E.s registered	No of C.E.s networks registered
1. Community savings	2,854	13
2. Community stores	1,347	9
3. Health services	361	1
4. Agro-tourism	229	2
5. Machinery fixing	46	-
6. Miscellaneous	2,146	22
<b>Total</b>	<b>6,983</b>	<b>47</b>

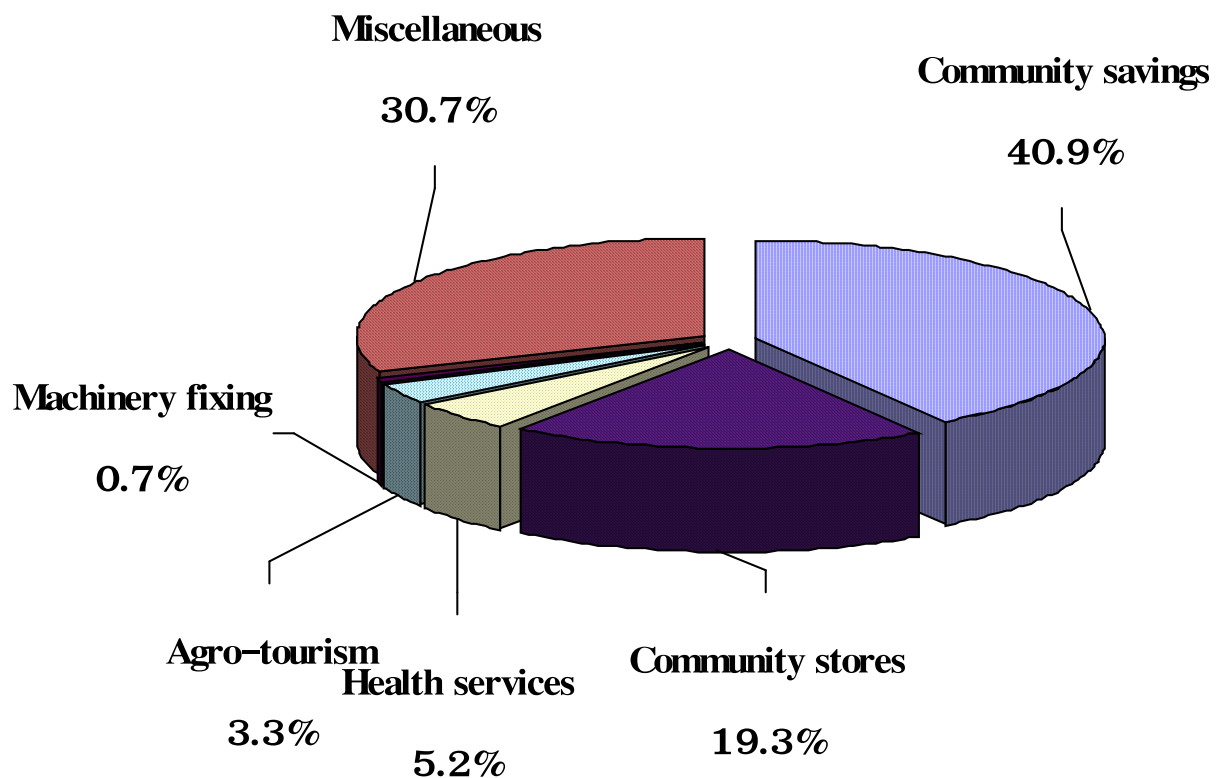




No. of registered community enterprise catagorized by types of activi



No. of registered community enterprise catagorized by types of activities



#### Provision of supports

There were 4 item Provider for community enterprise development plan.

1. Knowledge	36 %
2. Material	13 %
3. Marketing Support	5 %
4. Fund	46 %

## Supporting Unit

1. Government Service	57 %
2. Educational Institute	19 %
3. Public Organization	2 %
4. Community Network	2 %
5. Bank / Finance	17 %
6. Foundation & King's Project	2 %
7. Private Sector	1 %

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