

SOCIAL ENTERPRISES IN THAILAND

Gaurav Poddar

Student, Department of Business Studies,
Christ University, Bengaluru, Karnataka, India - 560076.

ABSTRACT

The real value of local Thai products is still not known by many people across the globe. The community of producers has followed identical style and pattern of product and they have not developed variety or uniqueness in their products. The weaving industry in Thailand does not have the governmental infrastructure required or a centralized organization to help and pave the way forward for the industry. Therefore, the key issue for manufacturers is to come together as a community to increase their overall value as a joint unit. This would help them in developing skills and knowledge that would be advantageous to produce more innovative products to maintain an edge over the competition. This paper studies the new management process in a community enterprise and gives suggestions about the innovative method for enhancing the effectiveness of social enterprise.

Index Terms: Society, Innovation, Thai, Social Enterprise.

1.1 INTRODUCTION

Thailand's social enterprise scene is a growing industry. A new batch of energized and motivated young minds are looking to create businesses that, instead of maximizing profits for entrepreneurs, address social problems and generate income for those who are in most need of it. The support from the Thai government for socially backed enterprises has been increasing steadily for some time. In fact, Thailand has a good standing in the region owing to its government's strong support for SE initiatives, the Thai Social Enterprise Office (TSEO) which gives consultations and runs workshops to create a favorable business environment.

1.2 Local Weaving Industry And Need For Social Enterprise

The variety of local fabric products in Thailand is huge and the knowledge of natural and culturally woven resources, especially Thai silk is extensive. The fabric industry is a major contributor to Thailand's economy. Information given by the Thailand Textile Board stated that based on contribution to the Gross Domestic Product value of the country, the industry was ranked fourth. The industry's value was calculated at USD 70 billion or

2.2% of GDP. Currently there are 163,827 operators in the Thai cloth industry. Out of this number 99.8% are at the small and medium sized enterprise (163,500 operator). The employment rate of the industry is 666,092 people, or 66.6% of the total working population of the area. Unfortunately this huge number of employees in this industry has added value of only 31.2% (Thailand research fund, 2011). There is a huge potential in this industry but because the operators are at community enterprise level only their production abilities are quite low.

The lack of local demand for the product and the sales being limited to niche buyer also contributes to less innovation. Most consumers do not understand the real value of traditional products. The standardization of production is also not possible due to the unevenness in the raw material like silk and cotton. Moreover, there is a lack of government support and the organization responsible for driving the innovation does not function properly.

Other than the production capabilities there is a new problem of human resource. As compared to other ASEAN countries Thailand has an edge in the advanced skills in weaving industry. The problem is in the lack of the employee at operator and manager level. The consequence of this issue is that the people of this generation have no will to work as operators in factories. So, the number of people in this industry has declined continuously.

1.3 Emerging And Young Social Enterprises

Alan Archapiraj established BE magazine with a mission to give employment to homeless and is sold throughout Bangkok. He drew inspiration from the Big Issue in the UK and set out to build the first social enterprise in the publishing sector in Thailand and has done so by modelling an economic model that supports his social enterprise with profitable businesses. His magazine has attracted the elite among Thai artists, joining in the cause of the underprivileged to become self-sufficient.

Four economics graduate students from Bangkok. Tai Topathomwong, Win Jitpraneechai, Earth Sirupparoeckchai and Phing Baisirikun started A-chieve in 2011. They have worked together for several years and their first pilot project to connect to high school students with professionals through short internships motivated them to start a social enterprise. The vision of their company is to give inspiration and choice for students to pick their education and occupation with motivation rather than to feel worse by making the wrong choice. The company's economic model is based on providing scholarships for talented students to attend their workshops and programmes.

Changefusion pioneer and established by Sunit Shrestha is urging adolescents to take position of authority in social organizations in Thailand. One of its hatched and supported is called local alike. This company has group particular tourism for the enhancement of neighborhood culture of local individuals and they give financial opportunities to local people.

Toolmorrow is one more social enterprise supported by the changefusion. The organization uses the emerging social media as a tool to spread awareness about the social problems, in particular issues such as life skills and sex education to the young population. It has a good social media presence.

The projects supported by changefusion focus beyond economic empowerment. They support various environmental action like the New Heaven Reef Conservation Program which works towards the preservation of coral reefs. Using a social enterprise model NHCRP has managed a scuba school to gather funds for the building of 20 artificial reefs and 100 small habitats.

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