

**Good Effects from Application of Sufficiency Economic Philosophy in the  
Learning Process and Knowledge Management for Sustainable  
Development of Community Enterprise: Case Study of  
Ratchaburi Province**

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**Abstract**

A study was aimed to 1) the good effects of its applications for entrepreneurs in community enterprises 2) the learning process and knowledge management of community entrepreneurs for their business development under the philosophical way 3) the probability of its application on the different business groups 4) the case of community enterprises that were succeed from it. Mix methodologies both from quantitative and qualitative methods were employed to use in the study. And this was launched on 2 periods as to:

The first phase: By the structured interviewing questionnaires, the entrepreneurs accounted to 400 were selected to interview about their opinions to the good effects of its applications

The second phase: From the focus group meeting of 30 entrepreneurs selected from the different community enterprises, their learning process, knowledge management and the appropriate ways of practices were studied. Besides it was included to the successful cases. And these were studied in more details by the way of in-depth interviewing.

**From the results,** When considering to the good practices that was held up to their businesses as the one successful model, they thought that it was their faithfulness to customers and consumers (19.1%) and enough manufacturing of goods for selling or not its overwhelming (13.5%). The good practices were happened from their collective business activities, construction of learning network, building up alliances, zero risk investments, community learning center, and sufficiency economic community. For the learning types, it was classified into 3 types as to their internal self-learning, group learning, and organization learning. They also managed the knowledge from their experiences in local areas, social relationship and knowledge management between leaders, group members, government organizations and academic institutes. The processing of knowledge management was related to problem conditions in businesses, knowledge reviews, arrangement of collective business activities, strengthening of community business groups, the problems, obstacles and its solutions, in additional to happiness of entrepreneurs and employees.

Before using of the sufficiency economic way, most of them accounted to 71.30% had their saved money not more than 5,000 Baht ( $\bar{X} = 52,232.7$ , S.D. = 65,383.0), but after following up it, 41.4% had the money between 10,001-50,000 Baht ( $\bar{X} = 100,289.0$ , S.D. = 186,798.0). 71.3% save the money with commercial banks. 72 of the respondents borrowed the money for raw materials and instruments/ machines and equipments respectively. After mobilizing the practices, it was found that the practices were better accepted at good level. The faithfulness and sharing of happiness life was respectively accepted. Moreover

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these the flexible way of life as to moderate, rationality, and immunity. 4), self-reliance especially in mind, and shared development of good quality of life were also endorsed too. But the self-reliance on technology was fewest gotten.

To compare the differentiates of perceived benefits before and after the practicing as to 1) sharing of happiness 2) Following up the flexible and moderate ways of life as moderate, rationality, immunity 3) Using of community activities as the tool of learning and management 4) Promoting of collective action and net working among community organizations 5) Building up economic, social and environments with balancing ways.

To compare the practices of studied community enterprises, it was found that there were not so much different among them. The practices were started from personal, family and to community business level. For more the details, it was focus on self-reliance, economization, saving, and risk management. All of the knowledge were learnt and managed in their community enterprises.

**Keywords :** Good Effects/Sufficiency

Economic Philosophy/Knowledge

Management/Community Enterprise

3) To compare the probability of its application in different entrepreneur groups.

4) Community enterprises that were successful from utilizing it.

### **Background and Rationale**

From the main paradigm of modern development based on economic growth that leads all societies to compete for maximize profits (and this is the main goal of a capitalist society) creates deteriorating effects on people's lives happiness. As a knowledge able and wise individual who is able to recognize there determining effects. King Bhumipol, the king of Thailand, has developed the one great solution so called Sufficiency Economic Philosophy to tackle the mentioned effects for his citizens. It can be said that the philosophy can be utilized with all activities and business. Therefore this research would focus on the study of the philosophical effects on community enterprises.

### **Research Objectives:**

The objectives were to study :

1) The positive effects of its applications for entrepreneurs in their community enterprises.

2) The learning process and knowledge management of community enterprise for their business development under the philosophical way.

### **Research Methodology:**

In this study it would use mixed methodologies both from quantitative and qualitative methods were employed for this study. And these were carried out in 2 phases as follow:

**The first phase:** Using structured interviewing questionnaires, entrepreneurs 400 were selected for interviews about their opinions on the positive effects of its applications.

**The second phase:** Using focus group meeting will 30 entrepreneurs selected from different community enterprises. Their learning process, knowledge management and appropriate practices were studied. Besides these, successful cases were also studied. And these were studied in more details by way of in-depth interviewing.

### **Results:**

**From the results,** it was found that the majority of the respondents were female (64.0%) and were between 51-60 year old (35%). They were married (71.8%) and most graduated from secondary school (43.8%) 60.3% of them had work experience ranging from 1-10 years. About 75% had sufficient income. Their community

enterprises were classified as businesses that sell community and local goods (34.8%) and have been operating between the years of 2541-2550 (60.3%). 52.3% of them had business scales lower than 300,000 Baht. The majority had registered capital money ranging from 10,000-50,000 Baht (23.0%). 63.3% acquired this money from their own saving and their relatives.

For their manufacturing and management practices, they mainly used raw material/ resources/ instruments /suppliers from local or community areas (60.8%). During the interviewing, 57.8% thought that their technology capital was quite good when compared to all of the other capitals. 49.3% would sell and distribute their goods or products in local area and internal province. The majority generated their revenues under 300,000 Baht (41.5%) and had employees of not more than 10 persons (68.5%).

When asked about the meaning of sufficiency economy, they had a good understanding and all thought that it could be utilized for themselves, their families and the society. Besides, it was also employed in their daily living through the learning process of critical economic recession in the passage period.

When regarding the seeking knowledge from sources, 73.0% gained this knowledge from external source. 49.8% received it through personal media. Also they use this acquired knowledge to run their businesses (36.0%). 40.8% thought that knowledge could yield many benefits for their businesses. And money saving was also largely practiced (40.8%).

When considering good practices that helped their businesses, contributing practices faithfulness to customers and consumers (19.1%) and sufficient manufacturing of goods for sale (13.5%). Good practices were derived from their collective business activities, their learning network, building up of alliances, zero risk investments, community learning center, and sufficiency economic community. For the learning types, 3 types

were classified, namely individual learning, group learning, and organization learning. They also managed the knowledge from their experiences in local areas, social relationships and knowledge management between leaders, group members, government organizations and academic institutes. The process of knowledge management was related to problem conditions in businesses, knowledge reviews, arrangement of collective business activities, strengthening of community business groups, the challenges, obstacles and its solutions, in addition to happiness of entrepreneurs and employees.

Turning to their necessary living factors, most gave importance to food and housing expenses and medical care expenses. For economic activities, the majority gave importance to the knowledge of how to earn money from their occupations, manufacture with household labor and occupational instruments respectively. The construction of a warm family was also mainly accepted one at the social activities of the respondents. Overall, businesses were perceived at a moderate level.

Before utilizing the sufficiency economic way, most of them (71.30%) had saving of not more than 5,000 Baht, but after following the philosophy 41.4% had salary between 10,001-50,000 Baht. 71.3% saved their money with commercial banks. 72 of the respondents borrowed money for raw materials and instruments/ machines and equipments respectively.

Though the effects of this learning process/ knowledge management, most were proud of themselves for using sufficiency practices and following this also meant few debts which did not cause any problems in family. Overall these effects were categorized as a good level. Also they could adapt themselves well to respond the present, and global situations. Before the practices, they perceived the benefits at a moderate level. Additionally faithfulness to customers was mostly perceived to be beneficial but usage of community activities

for sufficiency learning and knowledge management was only slightly as beneficial perceived.

After mobilizing the practices, it was found that the practices were better accepted at a good level. The faithfulness and sharing of happiness was respectively accepted. Moreover flexibility in life rationality, and immunity, self-reliance especially in mind, and shared development of a good quality of life were also endorsed. But self-reliance on technology scored very low.

To compare the differences of perceived benefits before and after adopting the philosophy these are the 1) sharing of happiness 2) flexible and moderate ways of life, rationality, immunity 3) Using of community activities as a tool of learning and management 4) Promoting collective action and net working among community organizations 5) Building up economic social environments in a balanced ways.

To compare the practices of studied community enterprises, it was found that there were not so many differences among them. The practices ranged started from personal, family and community business level. Additionally focus was on self-reliance, economization, saving, and risk management. All of this knowledge was learnt and managed in their community enterprises.

From the five studied cases of successful enterprises, success were seen as coming from their inner cycle of individual and collective learning processes with net working groups in addition to their organizational and institutional learning. Their knowledge management which led to a paradigm shift in their thinking was based on the problems of their economic crisis. The special skills had to be matched with enterprise activities. Enterprises should enhance their collective group actions and net works. Providing education related to this was one of the good practices for their development. Also self-reliance,

carefulness in living life and expenditures based on the self sufficiency economic way should be good practices too. Furthermore, risk management are also good practices, good governance in business and good strategic management for the enterprises. The entrepreneurs must run their business within their capabilities and there should be based on the self-sufficiency philosophy. They would then learn to adapt themselves to respond to the present competition time of globalization. Their success came from their inner strength, net work and government supports. Enterprise activities must be carefully and sustainably practiced and adapted to serve the social dynamic. Entrepreneurs might devote themselves to society based on the sufficiency philosophy in especially the allocation of money and resources to disadvantaged groups. These should adapted to help shift paradigms for the entrepreneurs.

### **Research Recommendations:**

#### ***1. Recommendation for Policy Implementation:***

1. The Government and educational institutions should create local courses or curriculums related to the sufficiency economy at all study levels.

2. The Government and organizations related to community development should establish seminars or training courses on how to live a sustainable life and this should be applicable among the community entrepreneurs.

3. The Government should support budget, mechanism technology related to the sufficiency economy for community organizations/community dwellers and this knowledge should be managed.

4. Central and local government organizations should set up concrete & sustainable strategies to tackle all of the poor conditions in the community. This should be managed under the social safety net and lead the community to a good quality of life and happiness.

5. Continuously, the government and related organizations should establish

knowledge based-OTOP and strategies for knowledge management of the sufficiency economy in community. This implementation should be focus on standardization and quality of good products, its brand name and packaging. The products should produced to serve Good Agricultural Practices (GAP).

6. Government organizations learns of should manipulate the strategies of a learning organization in the community especially in business morale, wisdom and good governance practices in addition to customer social responsibility for entrepreneurs of community enterprises.

### ***2.Recommendation for Utilizing of Research Results***

1. Leaders of community enterprises should engage in knowledge management, and learn from their success and failure from past to present. All practiced or utilized activities must be managed for their enterprises and community utilization.

2. Local and central government organizations, Non-government organizations, educational institutes should support and expand learning and knowledge management courses related to the sufficiency economy philosophy for entrepreneurs of community enterprise. Entrepreneurs should be encouraged to creative knowledge base about business management and marketing.

3. All entrepreneurs should enhance their customer social responsibility (CSR), They should not take advantage of their customers and environments.

4. Before launching any enterprise, entrepreneurs should know their capabilities leanly. They should design their enterprise to fit with their enterprise scale and capacity.

5. Entrepreneurs should select appropriate business activities and technologies especially when it comes to fertilizers, pesticides, chemical substances

to serve their community resources and environments and local market.

6. Entrepreneurs in the field of commercial, industrial and service sectors should run their businesses based on good and moral business rationality, sufficiency economy and strong ethical knowledge-based judgment.

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**Figure 1** The conceptual to synthesis from research

