



Alleviating social and economic inequality? The role of Social Enterprises in Thailand

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Abstract

Purpose: Thailand is a developing economy underpinned by high levels of wealth inequality and an ingrained patronage culture. This research examines how Social Enterprises (SEs) have been encouraged in Thailand in recent years as ‘micro-level challenges’ to capitalism and their potential impact in addressing inequality.

Design/methodology/approach: Through analysing policy documents and consultations, this paper traces the development of Thai policies intended to encourage SEs’ development. Additionally, the paper uses case study interviews and documents to demonstrate how SEs tackle inequality. From these, a framework is developed, outlining SEs’ roles and interventions to reduce inequality.

Findings: Thailand’s new policy is in contrast to those countries where SEs face policy neglect. Nevertheless, government has been slow to embed processes to encourage new SEs. Despite SEs’ ‘challenge’ to capitalism, listed companies are increasingly providing in-kind and financial support. The case study data shows SEs reduce inequality as they work with rural citizens to increase their employment and incomes. This work may also contribute to diminishing rural citizens’ dependency on political patronage.

Research limitation/implication: While SEs can address inequality gaps, the research includes only existing SEs on specific lists. Nevertheless, the Thai experience will be useful to other developing countries, especially those beset by political patronage.

Originality/value: The research shows legislation is insufficient to support SE growth and inequality reduction. The framework highlights the need for both government policy attention and interventions from donors and companies to support SEs’ efforts.

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Introduction

Inequality is a global issue, with the Organization for Economic Co-operation and Development (OECD) urging policymakers worldwide to respond to published inequality data.ⁱ Of the 17 Sustainable Development Goals (SDGs) proposed by the United Nations (UN), Goal 10 seeks inequality reduction.ⁱⁱ Correspondingly, The United Nations Development Program (UNDP) (2013) committed to supporting inequality reduction in developing countries, as inequality is an obstacle to global economic and social growth. Inequality relates to uneven resource distribution and limited opportunities, separating society into advantaged and disadvantaged classes and leading to many interrelated social problems such as poverty, health deterioration, crime and conflicts (Tweedie and Hazelton, 2019). While social inequalities are important, economic inequality is pervasive and affects citizens who may be otherwise diverse in character (Tweedie and Hazelton, 2019).

The OECD (2008) argues that it is crucial for disadvantaged people to engage effectively in employment and increase labour-related earnings, but it does not differentiate between self-employment or work for others who control capital. In contrast, some suggest standing against capitalism which has resulted in unjust social structures (including abuse of workers); although alternatives to capitalism have also been less than successful. Therefore, Tweedie and Hazelton (2019, p.1992) suggest options to resolve inequality at a micro-level could include “challenges to the primacy of the large [capitalist] corporate, profit seeking firm... from economic institutions founded on more equitable social relations”. This paper focuses on the rise of Social Enterprises (SEs) - institutions with both social and economic goals - which could be deemed to challenge (at a micro-level) capitalistic relationships.

The objective of this research is to understand how the Thai government has recently encouraged the formation of SEs, and SEs’ potential to address inequality in Thailand. From our data analysis we develop a framework outlining SEs’ roles and interventions to reduce inequality. SEs are hybrid organizations, primarily aiming to tackle social problems by focusing on disadvantaged citizens to enable their self-sustainability and independence, in line with the OECD’s (2008) recommendation. Thailand is a developing country with political patronage and embedded inequality and, despite recent reductions as measured by the Gini index,ⁱⁱⁱ inequality remains high (World Bank, 2019). Concerned that inequality hinders economic growth, the Thai Government seeks to improve disadvantaged citizens’ quality of life, including more recently promoting SEs’ establishment. In 2010, the Thai Government

1 initiated a draft SE law (Thai Social Enterprise Office, 2010), approving the SE Act in 2019.
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4 Proposed government assistance includes grants and loans for SE start-ups to encourage SE
5 expansion, and prioritization of SEs in government procurement of goods/services. If realized,
6 such government support for SE establishment should create social opportunities and provide
7 new investments to improve disadvantaged citizens' earnings. Further, Thailand's new policy
8 may represent a break from the bureaucratic tensions arising in other developed countries' SE-
9 enabling laws, for example, Italy, the United Kingdom (UK), and United States (US) (Anheier
10 and Toepler, 2019), although this needs analysis. Many previous Thai government-sponsored
11 enablers have been motivated by political patronage, although this is not evident in the new
12 policies. Yet, SEs have been slow to establish due to delays in promised government support
13 and regulation. Instead, donors and Stock Exchange listed companies are 'investing' in SEs to
14 augment government policies.
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23 As most research on SEs is from developed countries, this research into inequality reduction
24 through SEs' efforts within a novel setting (Thailand) will be useful to other developing
25 countries seeking to support SE expansion. The paper first defines SEs, inequality, and how
26 SEs can tackle inequality, before describing the research design. Thailand's listed SEs are
27 explored in terms of the number, the beneficiary foci, the type of business, and growth, with
28 data from listed companies' investment reports and from six SE case studies showing how SEs
29 have reduced inequality through increasing disadvantaged citizens' employment and income.
30 These are used to develop a framework outlining SEs' roles and interventions to reduce
31 inequality, before the implications and limitations are discussed.
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40 **Social Enterprises overview**

41 SEs have emerged to tackle persistent and complex social problems in many regions, including
42 Europe, the US and Asia (Defourny and Nyssens, 2008, Defourny and Kim, 2011). For
43 example, the number of UK SEs has grown from 5,300 in 2003, to 70,000 in 2015, there are
44 more than 85,000 social entrepreneurs in Italy, approximately 28,000 in France, but a mere
45 5,200 in Poland, circa 900 in Slovakia "and only 230 in the Czech Republic that could be
46 classified as social enterprises" (Pelucha *et al.*, 2017, p.130). SEs have also been slow to form
47 in Southeast Asia, despite the persistence of social and economic inequalities, although
48 following the 1997 Asian financial crisis many governments (including Thailand) introduced
49 SE policies (Defourny and Kim, 2011).
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2 As hybrid organizations, SEs incorporate three traditional organizational purposes: for-profit,
3 public and not-for-profit (Billis, 2010; Doherty *et al.*, 2014). More helpfully, Alter (2007, p.13)
4 argues hybrid organizations are neither “Purely Philanthropic” nor “Purely Commercial” with
5 Austin *et al.* (2006), suggesting SEs locate in a continuum between social and commercial
6 approaches. According to Austin *et al.* (2006), in contrast to a commercial entrepreneur, social
7 entrepreneurs respond to social opportunities in a variety of contexts and involve many
8 stakeholders, but SE growth is limited by scarce human and financial resources.
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11 SEs are defined differently in different countries. While the US’ SE definition covers a broad
12 range from for-profit with social activities to not-for-profit with business purpose; the
13 European SE definition derives from the not-for-profit sector (Defourny and Nyssens, 2008)
14 highlighting their social purpose, the multiple stakeholders, autonomy and the fact that they
15 bear financial risks. In practice, SEs may also use different legal forms to aid their varied profit-
16 seeking emphasis. For example, in the US, SEs may be for-profit limited liability companies
17 (Benefit Corp (B-Corp) or low-profit limited liability companies (LLLC/L3C)) owned by
18 shareholders, operationally prioritize market principles, use paid employees, and gain revenues
19 from sales and fees (Billis, 2010). Alternatively, not-for-profit SEs prioritizing social principles
20 by using volunteers or paid employees, and (business) revenues from sales and fees, may
21 register with the US Internal Revenue Service as 501(c)(3) tax-exempt organizations (i.e. as
22 charities) (Ebrahim *et al.*, 2014). In the UK, SEs increasingly form as Community Interest
23 Companies (CIC) also with charitable, rather than business, aims (Nicholls, 2009), while Italian
24 cooperatives are essentially SEs that aim to benefit their community and meet social objectives
25 (Scarlatto, 2012).
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29 As hybrid organizations, SEs can fill gaps where the government and market fail to operate;
30 that is, when public-sector entities are unable to provide goods/services, or the goods/services
31 are too homogeneous to suit a particular community, for-profit organizations cannot make
32 sufficient profit from providing those goods/services, and not-for-profit organizations cannot
33 be self-sustaining in providing these goods/services (Austin *et al.*, 2006). SEs seek both social
34 impact/benefits for beneficiaries (similar to not-for-profit organizations) and their own profits,
35 in order to be financially sustainable (similar to for-profit organizations). For example, Quayes
36 and Hasan (2014) research a not-for-profit microfinance SE providing financial services to low
37 income earners with limited access to regular finance, which is self-funding rather than relying
38 on donations as would a pure not-for-profit organization; while Van Peurseem *et al.* (2016)
39 analyse an agricultural cooperative SE developing better farming technology to increase
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2 farmers' productivity and profit, rather than exclusively shareholder returns. These SEs must
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4 balance the dual missions of financial sustainability and social goals (Ebrahim *et al.*, 2014,
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6 Doherty *et al.*, 2014). By providing employment and other social opportunities to reduce
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8 inequality in particular groups, SEs can fulfil Tweedie and Hazelton's (2019) brief of being
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10 'micro-level challenges' to the pure capitalist economic form focused on profit/business
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12 objectives alone.

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14 Nevertheless, when SEs focus on social goals, they may jeopardize their financial
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16 sustainability. Naszalyi and Slama-Royer (2016) find a home care service association declared
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18 bankruptcy because it could not compete with free-market in-home care services to elderly and
19
20 disabled people. Alternatively, SEs' social objectives may be compromised by prioritizing
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22 profit-making over social benefits. For example, Epstein and Yuthas (2010) study a
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24 microfinance business which commercialized into a regulated financial institution, limiting
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26 poor people's access to financial resources, and the sustainability of the SE's social goals.

27
28 Sustaining SEs' social and business purposes also depends on stakeholders' control rights. For
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30 example, when cooperatives must raise external capital in addition to members' contributions
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32 and these external investor's interests do not align with those of the members, the SE may drift
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34 from its original social mission/s (Mamouni Limnios *et al.*, 2016). Van Peursem *et al.* (2016)
35
36 find that investors seek standard reports and indicators, while farmer members prefer face-to-
37
38 face communication to assist their understanding of the cooperative's performance.

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40 Even if SEs sustain both social and business purposes, and their 'social egalitarian form'
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42 (Tweedie and Hazelton, 2019), research shows that national legal and regulatory frameworks
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44 often create barriers, rather than empowering SE's formation. Anheier and Toepler (2019)
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46 highlight 'policy neglect', which results in outdated regulatory frameworks, a lack of
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48 supporting policies and a focus on fiscal accountability, rather than accountability for social
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50 impact. Anheier and Toepler (2019) state that, whilst SE enabling laws are more common in
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52 developed countries than in the past, often the SE laws are complex, bureaucratic, burdensome,
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54 and fragmented. For example, in Argentina where cooperatives persist due to a strong civil
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56 society, no support is forthcoming from the welfare state, nor philanthropists (Anheier and
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58 Toepler, 2019, Kerlin, 2013). Further, Pelucha *et al.* (2017) note that, despite strong support
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60 for SEs in Central and Eastern European countries in the programming period of 2007-2013,
SEs now face barriers due to an inflexible legislative system, a lack of clear policy approach to
SEs, and a lack of funding from banks and other entrepreneurs. In contrast to charitable SEs
that receive tax relief, hybrid SEs often find it difficult to access state-assisted or market-based

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2 credit and capital (Killian and O'Regan, 2019). Among the few exceptions are Italian
3 cooperative SEs that may apply for subsidized loans and the UK's social investment tax relief,
4 although this latter has had limited take-up (see Killian and O'Regan, 2019). Policy attention
5 and fiscal support rather than policy neglect is necessary for SEs to thrive to reduce inequality.
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9 As noted, one purpose of this research is to examine how SEs, as micro-level challenges to
10 capitalism, have been encouraged by recent Thai public policy. This enables us to compare
11 policy neglect/support in a developing country with high levels of inequality, with the
12 commonly-researched developed countries. Before we outline this novel setting, we briefly
13 note the rise of inequality.
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18 **Inequality**

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20 Inequality can arise from uneven resource distribution among different social attributes. Those
21 with specific social attributes gain advantages over those who do not. For example, city
22 dwellers may enjoy better education, health care and infrastructure than rural dwellers. One
23 gender may be advantaged through better chances of career promotion than the other. Social
24 inequality relates to social attributes where the bearer has more or less access to (or power to
25 access) resources than another, potentially causing chronic social problems. For example,
26 limited educational opportunities for rural dwellers reduces the likelihood they will attain self-
27 sustainability and independence.
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31 While social inequality relates to uneven access to resources and opportunities due to different
32 social attributes (i.e. gender, ethnicity or social class), economic inequality focuses specifically
33 on differential wealth distribution leading to uneven purchasing power (Tweedie and Hazelton,
34 2019). Economic and social inequality interact when, for example, wealthier city dwellers find
35 education more affordable and more easily accessed than rural dwellers. Economic inequality
36 can reduce life expectancy and living standards, increase alcohol abuse, obesity,
37 unemployment, homeless, social disconnections, stress, crime and the mortality rate overall
38 (Neckerman and Torche, 2007). Inequality is therefore hinders a country's development
39 (World Bank, 2016), necessitating that governments design policies to narrow the inequality
40 gap and assist disadvantaged citizens in engaging effectively in employment and independent
41 earnings, rather than being dependent on others (OECD, 2008).
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55 Thailand has the highest inequality rate in Southeast Asia, which makes it apt for this research
56 into inequality. Economic inequality as measured by the Gini coefficient commonly uses a cut-
57 off between moderate and high inequality of 0.40 (Asian Development Bank, 2013). Since
58 measurement began in 1962, Thailand's Gini coefficient has always been high (Ikemoto and
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2 Limskul, 1987, Ikemoto and Uehara, 2000), peaking at 0.48 in 1992^{iv} (Asian Development
3 Bank, 2013, World Bank, 2017), and being 0.45 in 2017.^v In addition, 2009 data shows that
4 the top 10% of the population earned 22.8 times more income than the poorest 10% (NESDC,
5 2011). The effects of income disparity are also evident, as in 2011 the richest 20% of population
6 accounted for more than 50% of total household expenditure (Asian Development Bank, 2013).
7 Citizens with the lowest income are agrarians located mostly in Thailand's rural areas
8 (NESDC, 2017, World Bank, 2016). Thai rural people experience economic and social
9 inequality, with low income and low social class and few economic and social opportunities.
10 Reducing such inequality requires more than merely increasing citizens' income, needing
11 provision of other services such as agriculture support, education, and health services.

12
13 In developing countries, political patronage can increase economic disparity (Bakre *et al.*,
14 2017). Patronage is strong in Thai society (Hewison, 2000) with political patrons exchanging
15 financial resources for votes (Roniger, 2004), thus developing a patronage relationship with
16 poor rural agrarians. Patronage paralyzes rural citizens' independence and promotes corruption
17 (Phipatseritham, 2008). For example, in Thailand, following the Asian Crisis in 1993,
18 government sought to encourage self-sufficiency, and King Rama IX participated in
19 reinvigorating Thai culture as part of this effort, focusing on rural communities (Kelly *et al.*,
20 2012, Nuttavuthisit *et al.*, 2015) with greater inequality. The Prime Minister, Thaksin
21 Shinawatra, introduced many policies to reduce rural inequality such as Farmers' debt brake,
22 One Tambon One Product (OTOP),^{vi} village fund and capability development of villages and
23 communities project (SML project). Yet, many of the government programs represented
24 populist political patronage, exchanging government's resources for electoral votes (Siamwalla
25 and Jitsuchon, 2007, Painter, 2005). For example, the Farmers' debt brake discouraged farmers
26 from repaying their bank loans which, when promised government funds were not forthcoming,
27 increased their accrued interest and reduced their sustainability; further, the SML project made
28 one-off payments to villages, but poor management skills within the villages led to funding
29 being wasted. These programs reduced disadvantaged citizens' self-resilience and long-term
30 financial positions (Satitniramai and Laovakul, 2005). Therefore, despite civil protests seeking
31 to improve democracy (in 2005, 2010-2014), and military coups to stabilize government (in
32 2006 and 2014), rural citizens remain the most disadvantaged and exhibit a vertical dependency
33 within the patronage culture. Such dependency paralyzes rural communities against seeking
34 new technologies and opportunities to increase their income, contradicting the OECD's (2008)
35 encouragement that disadvantaged citizens should be independent and financially sustainable.
36 To reduce inequality and engage rural citizens' economic development requires policy
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2 attention – changes in government policy to prioritize disadvantaged citizens’ needs –
3 combined with intolerance of political patronage. This research examines the Thai
4 government’s policies encouraging SEs as ‘micro-level challenges to capitalism’ in contrast to
5 political patronage. The link between SEs and inequality follows.
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9 **SEs and Inequality**

10 Tweedie and Hamilton (2019) suggest organizations with a ‘social egalitarian form’ can
11 challenge capitalism and by inference raise the independence of the poorest in society. SEs
12 balance social and economic aims, often working with poor and those in lower social classes
13 to help them to achieve independence. When such disadvantaged citizens gain independence
14 through employment, education and better government policies, they also reduce their
15 dependency on political patronage. Subsequent reduction in inequality leads to greater national
16 wealth.
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19 A number of SEs have a *direct influence* on disadvantaged citizens’ income, with these citizens
20 being the SE’s sole focus. *Direct influence* SEs encourage citizens to participate directly and
21 increase their income. For example, a SE can help citizens to convert their farms from
22 conventional to organic farming (whose produce sells at higher prices), increase agricultural
23 productivity, and market their produce. *Direct influence* SEs also include tourism SEs or where
24 social beneficiaries operate the business themselves, for example, a Thai hill tribe growing
25 coffee will also market it, becoming both beneficiary and SE-business, enjoying profit and
26 social impact from their labor.
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29 Other SEs sell products/services produced by disadvantaged citizens alongside others from
30 business sources (*direct-mixed* SEs). These citizens directly receive income from their labour
31 on products/services, but the SE is not solely devoted to their support. *Direct* and *direct-mixed*
32 SEs can reduce inequality by directly increasing their beneficiaries’ income, outlet possibilities,
33 and providing employment opportunities.
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36 The third type of SEs have an *indirect influence* on disadvantaged citizens’ income, increasing
37 citizens’ opportunities through, for example: education, microfinance and media. Media can
38 help to advertise these beneficiaries’ plight and raise donations/opportunities, giving them a
39 voice that may lead to a change in government policy or in government itself.
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42 As noted, the second purpose of this paper is to analyse the potential for SEs to reduce
43 inequality (and the UN SDG 10) through their activities. Thus, how SEs report their activities
44 is important. Yet, literature debates what to measure and report, how it should be measured,
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2 and for whom the report is provided (Cordery and Sinclair, 2013, Nicholls, 2009). While
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4 research has shown that mandatory reporting is likely to result in more and better reporting of
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6 impact/outcomes (McConville and Cordery, 2018, Nicholls, 2009), the requirement for Thai
7
8 SEs to report their social impact has yet to be finalized. The method section explains how the
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10 research progressed.

11 **Research Method**

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14 The research objective is to understand how ‘micro-level challenges to capitalism’ have been
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16 encouraged by Thailand’s SE policies, and the potential impact of SEs in addressing inequality
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18 in a country beset by a patronage-based culture and relatively high inequality.

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20 To meet these objectives, we undertook document reviews to trace SE policy development, and
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22 one researcher attended public consultation meetings on the development of the SE Act 2019.
23
24 Further, we analysed public registrations of Thai SEs and their available filings (see data in
25
26 Tables II and III and Figure I) as well as SEs funded by companies listed on the Thai stock
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28 exchange (see Table IV). Thirdly, we undertook case studies of six SEs as part of a larger
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30 project. These case studies were chosen as they work with rural citizens and are registered on
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32 one or more of the formal Thai SE lists. The case research involved analysis of internal
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34 documents, interviews with staff (19 at management level and 21 at the operational level) and
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36 16 social beneficiaries, including site visits to the social beneficiaries’ areas. These interviews
37
38 were from one to two hours in length and were recorded and subsequently transcribed. The
39
40 interviews were conducted in the Thai language to allow participants to express their
41
42 experience, with relevant excerpts translated for inclusion in this article. The translation was
43
44 checked by the second author. During and after each interview, the first author took reflective
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46 notes. Data analysis was performed continuously, as suggested by Miles *et al.* (2014) to reduce
47
48 task overload. Eisenhardt (1989) argues that the within-case analysis should be performed to
49
50 gain familiarity with the data before seeking to undertake cross-case data analysis. Hence, we
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52 first analysed each unique case and the positions of the SE, its staff and beneficiaries, before
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54 moving to cross-case analysis (Eisenhardt, 1989). Data were classified so that data with similar
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56 meaning was grouped with codes assigned to each meaning and then examined to find patterns
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58 or data relationships within and across the cases. Data classification was performed repeatedly
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60 with new codes emerging as second order analysis was undertaken (Miles *et al.*, 2014).
Computer software, NVIVO, was used for data collection and to aid coding and analysis. The
research was approved by the ethics committee of the lead author’s university and, while the
beneficiary interviews were undertaken with the assent of the SE involved, they were

1
2 conducted independently of the SE staff. All participants were promised anonymity and
3 therefore we use pseudonyms in the reporting below.
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6 **Findings**

7 *Development of SE policy and support*

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10 First, we provide the background to Thailand's SE Act and SE policy, its main features and
11 promised supporting regulation. While cooperatives were an early form leading to SE
12 development in Thailand, these chiefly provide financial management (deposits and loans to
13 farmers) rather than directly working with disadvantaged citizens to increase their income and
14 education.^{vii}
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20 As noted, the Thai government needed to address inequality problems, with agrarian enterprise
21 a focus of the National Economic and Social Development Plan (the tenth plan) (NESDP#10)
22 covering 2007-2011. NESDP#10 recognized inequality between rural and urban people,
23 encouraging rural citizens to build self-sufficiency through community coalitions, called
24 'community enterprises'.^{viii} Following community enterprises' establishment, many faced
25 survival challenges as the communities lacked business and management skills, and the form
26 lost its popularity (Parinyasutinun, 2017). Next, the NESDP#11 (2012-2016) introduced the
27 term 'Social Enterprise', using media to publicize the opportunities for SE. The government
28 produced a SE Master Plan for the period of 2010-2014, confirming SEs' importance and
29 outlining government's policy vision. It required a broad SE definition (see Table I) to capture
30 diverse understandings: Mali (2014) suggests that Thai SEs aim to maximize social welfare
31 rather than to maximize the profit, however Tarnittanakorn (2011) defines Thai SEs as
32 organizations using business principles to solve social problems. Nevertheless,
33 Siriphattrasophon (2015) argues that the majority of Thai SEs started from community-based
34 organizations aiming to solve social problems within the community, hence their social impact
35 has been limited to a small group of people. Following the 2014 military coup, the National
36 Reform Council (2015) proposed a draft SE Act, recommending SEs as alternatives to balance
37 social and economic development. Most definitions in the draft SE Act concur with the Master
38 Plan, except that SEs were to explicitly prioritize social objectives (see Table I).
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53 [INSERT TABLE I HERE]

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55 The SE Act passed in 2019 (s. 1, 5(5.1-5.6)) requires SEs to register as legal entities to operate
56 goods/services manufacturing or trading which primarily focuses on social objectives (Royal
57 Thai Government, 2019), but rather than financial self-sustainability, the Act is specific about
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1
2 the percentage of business income-generation and dividends that can be extracted. Thus, while
3
4 the Act focuses on social objectives, SE donors/founders who are also owners may receive a
5
6 financial return.

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8 Further, the Revenue Department confirmed that registered SEs will be tax exempt if their total
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10 surplus goes to SE-reinvestment or social objectives. Corporate investments in registered SEs
11
12 are also fully deductible, whether the SE pays a dividend or not. Due to these concessions, the
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14 SE Act 2019 requires SEs to operate with good governance (see Table I).

15
16
17 To qualify as an SE under the Act, a SE must identify its social beneficiary group, activities,
18
19 projected outputs and outcomes. In subsequent years, SEs must submit a social impact report
20
21 annually to the Office of Social Enterprise Promotion to remain registered. At the SE Act public
22
23 hearings, participants questioned how social impact could be measured and reported. Small
24
25 SEs were concerned about the cost of assessment, whereas the well-established SEs expressed
26
27 disquiet about the quality of different reporting measures. The official response to the public
28
29 hearings concluded that reporting regulations would be developed following online feedback
30
31 from SEs as to whether social impact reports should include: (1) only mandatory information
32
33 defined by the SE Act committee; (2) mandatory information and additional clarifying
34
35 (voluntary) information; or (3) interview data in addition to mandatory information.^{ix} At the
36
37 time of writing, there have been no announcements by the SE Promotion Committee about
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39 whether social impact information will be mandatory or voluntary, or any exemptions.

40
41 Even prior to the SE Act 2019, financial and capacity-building support for SEs derived from
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43 donors, investors and government and, in 2017, the Stock Exchange of Thailand (SET)
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45 instigated a social impact platform, listing 62 ‘social impact creators’ for corporates to invest
46
47 in SEs (motivated by Corporate Social Responsibility). Listed companies’ investments
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49 typically include in-kind contributions, e.g. training courses, purchasing SE’s products and
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51 services, and supporting SEs’ product distribution channels,^x although the SE Act 2019
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53 introduced tax incentives for these companies to establish and invest funds into SEs.
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55 Furthermore, the Thai Securities and Exchange Commission (SEC) permits public trading in
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57 certified SEs’ stock, allowing SEs to raise financial resources from the public. Additionally,
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59 the government encouraged its departments to procure goods/services from 29 SEs approved
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61 by the Social Development and Human Security Ministry in 2018 (SE Act, 2019, s. 4, 29(3)).
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63 The SE Act 2019 (s. 2) also encourages government to establish a SE promotion fund and make
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65 loans or grants to established or newly established SEs. Further, the Thai Government partially

1
2 funded the establishment of Pracharath Rak Samakkee (Thailand) SE (PRS Thailand), to
3 encourage the development of new SEs that could generate social and economic returns in each
4 of the 76 provinces.^{xi} The registered capital of PRS Thailand is US\$3.12 Million^{xii} of which
5 US\$0.75 Million is from the private sector, including SET listed companies.^{xiii} External
6 support from donors, investors and the SET, procurement by government departments,
7 government funds for SE promotion and establishment, and through PRS Thailand for
8 provincial SEs, are all intended to assist SEs to increase their social impact and address
9 inequality. The SE Act 2019 and its forebears suggest policy attention rather than policy
10 neglect, although some promised interventions are yet to be realized.

18 ***Growth of SE and their focus***

20 The SE concept was adopted long before the SE legislation, with Figure I showing that the
21 number of rural SEs (52) has grown over the period from 1941 to 2016.

22 [INSERT FIGURE I HERE]

23 The number of rural SEs accelerated following the 1961 NESDP#1 which focused on industrial
24 infrastructure rather than agrarian society, and consequentially increased rural citizens'
25 inequality. The second acceleration was during and post- the Asian Crisis, when unemployment
26 skyrocketed in cities. Rural citizens who had relocated to Bangkok for work, returned home
27 after losing their jobs, and some used business skills they had learned in the city to establish
28 rural SEs. As one cause of the Asian Crisis was over-spending on industrial promotion for
29 export, the Post-Crisis government promoted self-sufficiency, leading to the establishment of
30 *direct* and *direct-mixed* SEs particularly in rural areas where they attempted to mitigate the
31 government's policies seeking popularity amongst rural citizens (political patronage). The final
32 acceleration links to the initiation of the SE Act, with an increasing number of SEs established
33 between 2011 and 2016.

34 Following the SE Master Plan (in 2010), the government founded the Thai Social Enterprise
35 Office (TSEO) to facilitate the passing of the SE Act.^{xiv} The TSEO recorded existing Thai SEs,
36 announcing its first SE list in 2010 (the SE 50) and a further list of 70 in the 'SE catalog' in
37 2012. We examined these lists along with the SET Social Impact List (2017), and the SE list
38 by the Ministry of Social Development and Human Security (2018), removing overlapping SEs
39 as shown in Table II. The population of 169 SEs reflects the low numbers of SEs in Southeast
40 Asia found by others (Defourny and Kim, 2011).

41 [INSERT TABLE II HERE]

To ascertain how they may reduce inequality, all 169 SEs were analyzed using publically available information including publications on the SE 50 and SE catalog and website profiles for the SET Social Impact and Ministry of Social Development and Human Security lists. In addition, newspaper and social media were examined to confirm SE operations, their target beneficiary group and key activities/sector (see Table III). Table III shows that the majority of SEs do not target any specific beneficiary group (111/169 - 66%). However, more SEs focus on providing services to the rural (52/169 - 30%) than urban (6/169 - 4%) beneficiaries.^{xv}

Table III also details the type of SE business for different social beneficiary groups, showing that SEs working with rural groups mostly focus on agriculture (31%), followed by tourism (27%), and handicraft/garments (13%).^{xvi}

[INSERT TABLE III HERE]

Of the 52 rural SEs, we found that 16 have a *direct* influence on their social beneficiaries' income (6 operate in agriculture and 10 operate in tourism), directly influencing the growing of products/provision of tourism services and then on-selling or marketing the products and services. Twenty-eight rural SEs are *direct-mixed*, selling goods/services that agrarians grow/manufacture alongside other goods/services. Eight rural SEs have an *indirect* influence - operating in education, microfinance and media.

In contrast, two of the six urban SEs have a *direct* influence, mainly employing local people to provide services such as repairs and maintenance. Urban citizens are generally more highly skilled than rural citizens,^{xvii} allowing SEs to match skills and demands to increase poor urban citizen's incomes and develop self-sustainability. Of the non-specific SEs, Table III shows that 73 are involved in education, media, environment and children - these *indirectly* assist disadvantaged citizens. Further analysis also shows that the remaining 38 also have only an *indirect* impact on disadvantaged citizens' incomes. While not denigrating the impact of these *indirect* SEs,^{xviii} there appear to be opportunities to develop more *direct* and *direct-mixed* SEs. We now turn to the reporting of the impact of *direct* SEs working with rural disadvantaged citizens.

Impacts of SEs on disadvantaged citizens

We analysed two different types of SE projects for the potential impact of SEs in addressing inequality in Thailand and meeting the UN's SDG 10. The first SE projects are those from the SET social impact program where listed companies provide in-kind contributions and/or invest in SEs. They report impact in diverse ways.

SET Social Impact program

SET began its social impact program in 2015, conferring ‘Social Enterprise Investment Awards’ to four listed companies, which invest or support SEs.^{xix} Operating in urban property, awardee L.P.N. Development PCL invested in LPC - a *direct* SE which hires disadvantaged women for condominium cleaning services (SET, 2015). In contrast, Bangchak Corporation PCL (an oil and gas provider) has partnered with many local agriculture cooperatives, disseminating business knowledge, including market, location assessment, accounting, and information technology systems, supporting these cooperatives to establish community gas stations in impoverished rural communities (SET, 2015). The remaining two awardees invested in *indirect* SEs and are not reported here. Similarly, Thai Beverage PCL leads a consortium of 13 listed companies investing in PRS, a *direct-mixed* SE with established distribution channels for local products in all 76 SE provinces.

Table IV provides social impact for individual company in the SET social impact program. While the urban SE (LPC) reduces inequality by providing employment, for the rural Bangchak Corporation PCL and PRS investments, impact is reported as income to communities.

[INSERT TABLE IV HERE]

These SET social impact creators: (1) enable disadvantaged people to effectively engage in employment where they can increase earnings from their labour, and (2) invest in distribution outlets and community-focused businesses to increase disadvantaged workers’ (producers’) incomes and to distribute surplus funds within communities.

SE independent impact

The second group of SEs (from our case studies) report different impacts. The cases are anonymised as: Happy Tribe (HT), Green Trade (GT), Fisherman’s Friend (FF1), Farmers’ Friend (FF2), Folk Tales (FT) and Golden Land (GL). Table V provides a summary of social impact for each case study, which we elucidate further. First, and reflecting the questions raised at the public hearings on the SE Act 2019, we present data from the case studies on whether SEs should report impact.

Should SEs report impact?

With the regulations yet to be developed on reporting impact, the case study SEs held different views on this matter. HT realizes the importance of social impact with a senior manager reflecting:

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“We measure our social impact yearly. I know that it cannot be perfect but it is better than nothing. Otherwise, we will over-claim our result. The accuracy of the assessment is that we have to justify how we measure the impact.” (HT senior manager)

On the contrary, GT’s founder was reluctant to assess its social impact due to the cost and fears of inaccuracy, noting:

“I do not think I have the complete information to assess the social impact. The cost of data collection is too high and we need an accurate tool for impact calculation. Besides, agriculture data is dynamic. It keeps changing (i.e. the organic farming area or the market price of organic rice). If we cannot measure the impact accurately, why do we have to?” (GT founder)

Table V shows that HT and FT measure their impact annually, FF1 and FF2 commissioned external assessors to assess social return on investment (or similar), GT believes the cost of data collection and assessment is too high, and GL measures only its profits. Due to the diversity, we interviewed beneficiaries as to the impact of the SEs on their lives, particularly their employment/income and education.

[INSERT TABLE V HERE]

SE employment creation/income generation

Examples of employment and income generation include social beneficiaries noting that HT helps them to improve their quality of life, especially with respect to income generation:

“They (HT) firstly built us a road. Previously we had no road. We had to walk - cut through the forest. If our villagers got sick, sometimes, they died before reaching the hospital... HT also teaches us how to grow shade coffee and they purchase the beans at a higher price than we can sell to other vendors.” (HT Villager 1)

FF1’s fisher members also enjoy higher incomes:

“FF1 is our essential distribution channel for our products. Previously, we were forced to sell our fish to local fish raft owners who we were in debt to. They gave us low prices and we did not have many choices but to sell to them. Now we can sell through FF1 and we repaid our debt.” (FF1 Social Beneficiary 1)

“FF1 helps us to sell at Trade Fairs in Bangkok. We can gain US\$2,188-2,500/day at the fairs. FF1 facilitates us traveling from our village to Bangkok, arranges booth rental and teaches us how to set a reasonable retail price. It is quite encouraging having extra money from the fairs.” (FF1 Social Beneficiary 2)

“We did not think only how to sell our products but also how we can sustain our fishing. FF1 also helps us on this matter. They work with us on how to preserve the sea’s environment i.e. not using industrial fishnets, connecting our village to others who have the same ideas about the sea’s environment.” (FF1 Social Beneficiary 3)

FF2’s beneficiaries also receive support on what to grow/produce:

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"I was with FF2 from the start (since 2000). Every year I ask them which type of organic rice I should grow and they give us suggestions and how to grow it, then they help us to sell the product. Now they have introduced us to organic lemons which I can grow in addition to rice and this increases our income. We can sell organic lemons for US\$0.06/lemon. I have 10 lemon trees which are expected to have 200-250 lemons/tree. So I should have US\$125-156.25." (FF2 Social Beneficiary 1)

"FF2 encouraged us to raise chickens for organic eggs. They provided us with 50 chickens for a trial and planned to provide us more - about 200-500 chickens. We can sell the eggs back to them to earn income." (FF2 Social Beneficiary 2).

One group of FT's social beneficiaries is low-waged residents of an urban-slum area in Bangkok and some in the community noted:

"FT firstly came to our community in 2015 to teach us how to manage community tourism. It took 2 years of training, including the rehearsal for a pilot tourist group. 2017 was the first year we received 150 tourists through FT. FT also gave us an option to receive tourists referred from other sources." (FT Villager 1)

"We use our people in the community as tour guides. They receive at least US\$9.38/day/person (Thai Minimum wage/day) from guiding a community tour. We also receive a lump-sum amount from FT to manage the coffee break and lunch during the tour. We can keep the leftover in our community bank account. Now we have US\$937.50 (during 2017-2018) in our account. We also receive indirect income from the tourists' spending i.e. food, furniture from our carpenter shops," (FT Villager 2)

GL has not measured its social impact, but its social beneficiaries noted:

"I sell my strawberries to GL because they provide us with a good price and we can generate continuous income." (GL Social Beneficiary 1)

"We are happy, selling our products (strawberries) to GL. I was with them for 5 years. I started with 1,500 and now I have 200,000 strawberry plants... They (GL) encouraged us to grow premium strawberries (fresh food grade with sweeter and bigger size). They purchase these premium grade at higher price of US\$6.25-7.81/Kilogram in addition to buying factory grade at a lower price US\$0.94/Kilogram. We can sell all of our strawberries but at different prices, depending on product quality... it is a good price for us." (GL Social Beneficiary 2)

"By selling our product to GL, we can ensure that we will get a lump-sum amount at once so we can use that to repay our debt." (GL Social Beneficiary 3)

SE educational assistance

Many of the SE activities above include informal education designed to increase beneficiaries' incomes. HT also funds education. A beneficiary noted that:

"HT entered the area when I was 7 years old. They created job opportunities for my family and that is how I had a chance to study in school. I received their

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2 *scholarship until I got a bachelor degree. They also accepted me as a trainee and I*
3 *started working with them from 2006 until now.” (HT Villager 2)*
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7 Most impact reported by the SET investors/awardees and the SE case studies are represented
8 as beneficiary income generation, but the case studies also show that direct education as well
9 as knowledge and skills SEs dissemination are of great value to beneficiaries, increasing their
10 wealth and therefore reducing inequality.
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14 **Discussion**

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16 The objective of this research was to understand how SEs as micro-level challenges to
17 capitalism have been encouraged in Thailand in recent years, and the potential impact of SEs
18 in addressing inequality in Thailand. Inequality in Thailand persists in tandem with political
19 patronage, with rural citizens being the most disadvantaged group in Thai society (NESDC,
20 2018, World Bank, 2020) making rural citizens a priority for interventions to increase earnings
21 for self-sustainability. The left hand side of Figure II presents the definitions of both economic
22 and social inequality that were developed in this paper. Our main focus has been economic
23 inequality which hinders national development (World Bank, 2016) and which the Thai
24 government has felt compelled to address by encouraging SEs to form.
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33 SEs can improve disadvantaged citizens' economic well-being, encouraging financial self-
34 sustainability through employment, income generation and also increasing opportunities by
35 education scholarships or through direct education, lobbying and support (see Figure II). They
36 represent “micro-level challenges to capitalism” by being founded on “more equitable social
37 relations” (Tweedie and Hazelton, 2019, p.1992).
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42 Nevertheless, as hybrid organisations, SEs are dependent on others' interventions to increase
43 their scarce resources (Austin *et al.*, 2006). In Thailand, donor support has allowed a small
44 number of SEs to form; they have also established in response to crises and nudging from
45 previously low-level government policies. Yet, only a small number concentrate on rural
46 citizens, particularly in agriculture, tourism and handcraft/garments with ~12% having a *direct*
47 influence on their social beneficiaries' incomes, ~18% being *direct-mixed*, and the balance
48 *indirectly* influencing disadvantaged citizens' income, through education, media and working
49 for the environment. The great majority are non-specific SEs and have only *indirect* influence
50 on disadvantaged citizens. To gain maximum benefits, more *direct* and *direct-mixed* SEs
51 should be encouraged to form.
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3 With respect to government interventions, Anheier and Toepler (2019) opine that bureaucracy
4 and ‘policy neglect’ hinder SE formation, reducing SEs’ effectiveness in a number of
5 developed countries, including Italy, the UK and US. SEs’ social objectives are prioritized and
6 elicit taxation concessions by many governments, hampering SEs’ access to capital and credit
7 (Anheier and Toepler, 2019, Killian and O’Regan, 2019, Pelucha *et al.*, 2017). Yet, as hybrid
8 organizations (Billis, 2010), SEs must balance both business and social objectives (*Ebrahim et*
9 *al.*, 2014, Doherty *et al.*, 2014). Prior research has noted that when SEs emphasize social
10 objectives at the expense of surpluses, they may fail (Naszalyi and Slama-Royer, 2016), and
11 emphasizing business at the expense of social purposes may not serve beneficiaries (Epstein
12 and Yuthas, 2010).

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20 The Thai government’s policy attention includes the SE Act 2019, which recognizes SEs’
21 social mission, and the need for business principles to underpin SEs’ management. It allows
22 dividends in certain circumstances. Policies include the promise of government department
23 procurement from SEs, recommendations that government provides funds for marketing, start-
24 up and SE expansion, and the ability for SEs to list on the SET. Taxation concessions accrue
25 to SE investors and SEs, hence government has signalled SEs must file annual reports to certify
26 their impact. The promised support and this monitoring remains under development, making
27 Thailand different from cooperatives in Italy. We argue that legislation is insufficient to support
28 SE growth and inequality reduction, and the planned policy interventions should urgently be
29 attended to. Further, the requirement to earn 50% of income is a high bar against registration
30 for newly formed donor-funded SEs, when donations may form their major revenue source.
31 Such a focus on business income reduces the likelihood of not-for-profit SEs forming to reduce
32 inequality.

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43 In addition to donor support and government’s increasing policy support for SEs, Thai
44 businesses also support SEs through the SET social impact creator list, providing funds and in-
45 kind support, including the promotion of SE’s stock public offering (see right hand side of
46 Figure II). These SET investments are tax deductible. SEs may find it challenging to manage
47 investors and members (Mamouni Limnios *et al.*, 2016, Van Peurseem *et al.*, 2016), however
48 we have not assessed how the SEs receiving these SET investments have balanced the
49 investors’ needs and those of their members/beneficiaries.

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58 Figure II shows the framework of how SEs can reduce inequality in Thailand. In addition to
59 the government, donor and investor components discussed above, government must reduce
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2 political patronage which increases economic disparity (Bakre *et al.*, 2017, Hewison, 2000,
3 Roniger, 2004) and disadvantaged citizens' dependence. A natural extension to this research
4 would be the testing of this framework in other settings, especially emerging economies that
5 are similar to Thailand.
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10 While there is a requirement to report impact, the lack of regulations to frame these reports
11 highlights the mixed views on, and varied nature of, social impact reporting. Despite the
12 variety, it is evident that rural citizens/beneficiaries have increased employment and income
13 following SEs' interventions, which will likely help to resolve inequality. To assess the
14 potential impact of SEs in addressing inequality in Thailand, we presented financial impacts
15 (from SET investors) and our *direct* rural SE case studies show how beneficiaries report the
16 impact. We note the difficulties associated with reporting impact (Cordery and Sinclair, 2013,
17 McConville and Cordery, 2018, Nicholls, 2009) and the concerns raised in the public hearings
18 of the Thai SE Act 2019 for SEs to submit only limited amounts of mandatory information,
19 some additional voluntary information, or to provide interview data as evidence of impact. The
20 lack of consensus on reporting means that policy makers should expedite regulations so that
21 SEs can respond appropriately, especially if this causes SEs to de-list. The lack of detail on
22 monitoring of the reporting requirement and that for good governance is also of concern.
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33 Undertaken in a unique context, this research is limited by existing SE lists. Further research
34 into newly establishing Thai SEs, and comparisons between Thailand and other emerging
35 economies would also be useful to other developing countries seeking to support SE expansion,
36 especially to reduce inequality which hampers national economic growth. It is apparent that
37 the interventions from government policies, and the support of donors and investors can be
38 harnessed to empower SEs to improve the incomes and education of disadvantaged citizens,
39 and thus should be promoted more seriously by government and related bodies to address the
40 inequality problem. As SEs develop skills in increasing the financial sustainability of rural
41 citizens, successful SE models will be able to be replicated in other regions and abroad.
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ⁱ <http://www.oecd.org/els/soc/launch-centre-for-opportunity-and-equality.htm>

ⁱⁱ <https://sustainabledevelopment.un.org/?menu=1300>

ⁱⁱⁱ The Gini coefficient is widely used to measure inequality of income distribution across a country. The coefficient ranges from 0 to 1, where perfect equality is 0 and perfect inequality is 1.

^{iv} The world's highest GINI coefficient in 1992 was Central African Republic at 0.61 and Southeast Asia's highest was Thailand at 0.48 (World Bank 2017b).

^vAs noted by the National Economic and Social Development Board (NESDB) (which changed its name from the National Economic and Social Development Council (NESDC) in 29 December 2018): http://social.nesdb.go.th/SocialStat/StatReport_Final.aspx?reportid=694&template=1R1C&yeartype=M&subcatid=71

^{vi} OTOP is a government project to support the selling of locally unique and high quality products from each Thai sub-district (*tambon*) (see <https://www.thaitambon.com/en/>)

^{vii} The turnover of financial cooperatives in 2017 and 2018 represent 93% of the total turnover of all registered cooperatives; cooperatives involved in distributing merchandise to members and product gathering represent 3% each of the total turnover of all Thai cooperatives (See Thailand cooperative performance and financial position

report 2017 and 2018, prepared by Cooperative Auditing Department, at https://statistic.cad.go.th/main.php?filename=report_infoall)

^{viii} Community Enterprise is an entity operated by a local community for manufacturing, trading or services to generate incomes (Source: Community Enterprise Act 2005)

^{ix} The lead author's observations from the 23 March 2019 Bangkok consultation on the SE Act 2019.

^x Source: <https://www.setsocialimpact.com/Article/Detail/51211>

^{xi} According to an announcement of Office of SE Promotion, dated 15 November 2019.

^{xii} The amount is converted from 100 Million Thai Baht at 1 USD = 32 THB (as at March 2020).

^{xiii} Information from PRS annual report 2016 (p.15). The amount is converted from 24 Million Baht.

^{xiv} The current NESDP#12 (the twelfth plan), covering 2017-2021, attempts to redress inequality by promoting jobs and creating income for 40% of population with the lowest income. It includes an indicator requiring an increase in the number of SEs to strengthen rural communities.

^{xv} The number of poor rural citizens is three times higher than poor urban citizens in 2010 (see: Table 1.4, p.1-9 in Thailand's poverty and inequality analysis report 2017 by the NESDC).

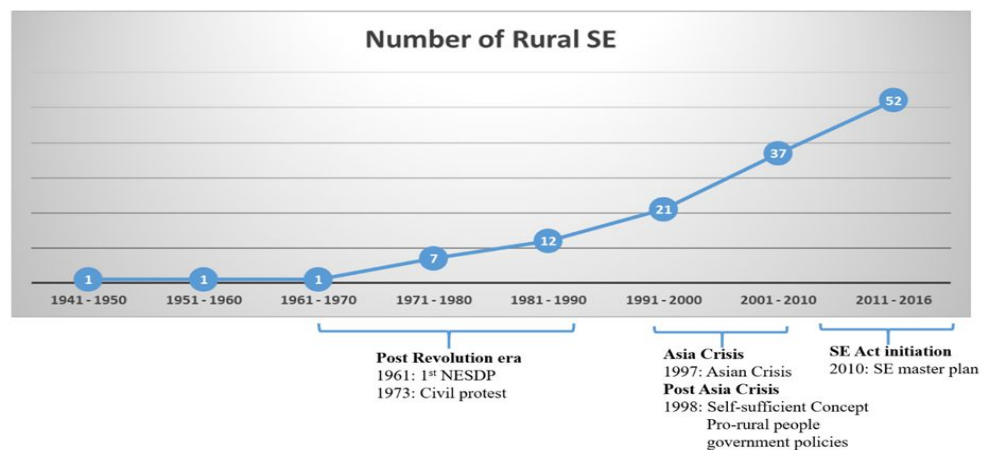
^{xvi} From the mid-1980s to 1991, the agriculture sector employed 60-70% of Thailand's total workers (LePoer, 1997; World Bank 2017a).

^{xvii} The Department of Skill Development, Ministry of Labor, offers more than 20 vocational training courses, targeting poor urban citizens to improve their skills.

^{xviii} For example, media SEs can reduce inequality by raising public awareness of inequality and could encourage disadvantaged citizens to increase their involvement in democracy/governance or economic policies addressing inequality. These could reduce the economic disruption (measured by declining GDP) from political protests, which disadvantaged citizens have previously used to gain attention (see:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>).

^{xix} The four companies are Bangchak Corporation PCL, L.P.N. Development PCL, the Siam Cement Group PCL and SE-Education PCL (source: SET SD Focus magazine, Year 2, issue 3, October 2015 and issue 4, November 2015).

Figure I: Number of rural SEs by founding year

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Figure II: Using SEs to reduce inequality

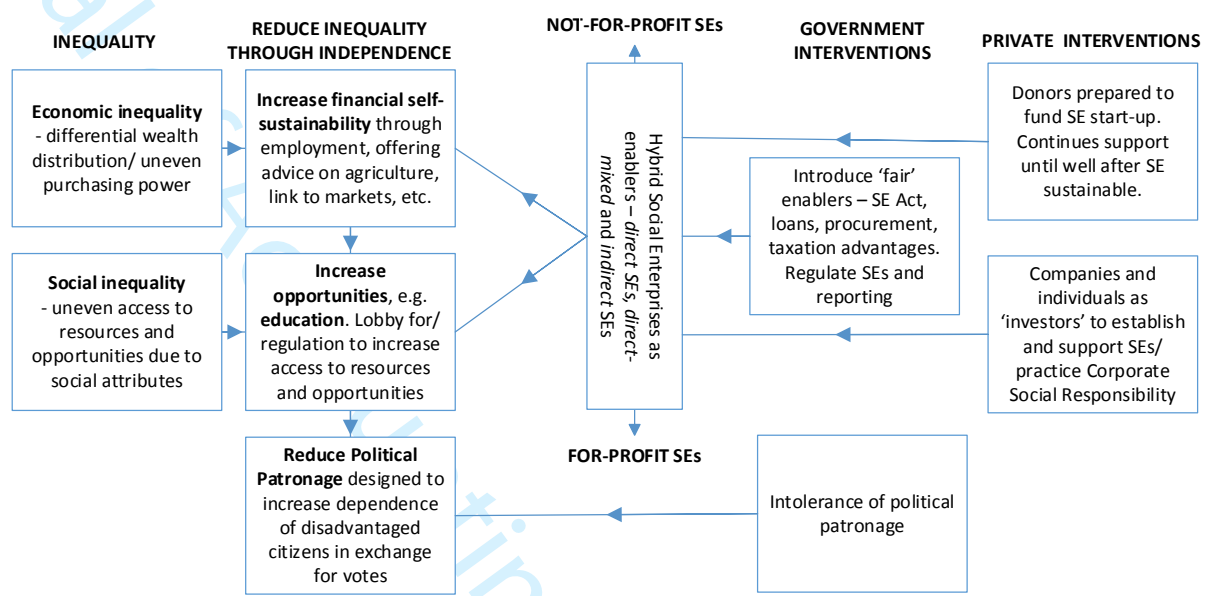


Table I: SE Definition and requirements

SE Master Plan (2010-2014)	Draft SE Act 2015	SE Act 2019
Any form of organization	Legal entity under Thai Law	Legal entity under Thai Law
Focus on solving social, community and environment problems, not to maximize profit to shareholders or owner	Focus on solving social, community and environment problems, with a primary goal on social objective rather than maximizing profit to shareholders or owner	Focus primarily on social objectives, including <ul style="list-style-type: none"> - Hiring a group of people with special-needs - Solving social/community/ environment problems - Creating/producing social/community benefit
Ensure self-financial sustainability	Same as the Master plan	Not less than 50% of SEs' revenues must be derived from their business operations.
Allocate SE surplus to reinvest in SE for social goal achievement or public interest	Same as the Master plan	SEs may pay dividends to owners if at least 70% of the net profit is allocated to social objectives/reinvested into the SE (i.e. not more than 30% of net profit may be distributed as dividends).
Operate friendly production processes with social and environmental benefits	Same as the Master plan	None
Obtain good governance	Same as the Master plan	Obtain good governance. ¹
-	-	SEs must report to the Office of Social Enterprise Promotion which should annually monitor and certify that the SE meets the Act's requirements and may continue to be registered.

¹ The SE Promotion Committee announced on 24 September 2020 that SEs' good governance also requires they have an anti-fraud and bribery policy, comply with related good governance rules and regulations (if any) including arranging appropriate meetings (i.e. board and shareholders' meetings) and ensure proper auditing and taxation, have internal control and risk management systems and publically disclose operational and financial reports on an annual basis.

Table II: Number of SEs on various lists

List	Number of SEs
SE 50 (2010)	50
SE Catalog (2012)	70
SET Social Impact List (2017)	62
Ministry of Social Development and Human Security (2018)	29
Total SEs from all lists	211
Overlapping SEs	(42)
Total SEs	169

Table III: SEs' activities/type of business sector

Type of business	Rural SE		Urban SE		Not Specific SE		Total
	Number	%	Number	%	Number	%	
1 Agriculture	16	31%			3	3%	19
2 Tourism	14	27%			5	5%	19
3 Handicraft/Garment	7	13%	1	17%	3	3%	11
4 Education	4	8%			16	14%	20
5 Trading	4	8%			3	3%	7
6 Micro Finance	3	6%			2	2%	5
7 Restaurant	2	4%			4	4%	6
8 Healthcare	1	2%			8	7%	9
9 Media	1	2%			30	27%	31
10 Service			4	67%	5	5%	9
11 Environment			1	17%	14	13%	15
12 Children					13	12%	13
13 Others					5	5%	5
Total	52	100%	6	100%	111	100%	169

Table IV: Social impact of SET social impact program

Company	Social Impact
LPC Co., Ltd	- Hired over 1,200 disadvantaged women, increasing their earnings
Bangchak Corporation PCL	<ul style="list-style-type: none"> - Increased income of 620 partner cooperatives by US\$12,500-31,250/year/cooperative.¹ - Produced turnover of community gas stations with 'minimarts' of 0.31-0.37 Million US\$/year for communities.²
Thai Beverage PCL	- Invested in Pracharath Rak Samakkee SE (Thailand) (PRS) which the Working Group of Grassroots Economic and Social Enterprise Development (2019) reported that PRS-provinces made incomes from 2016-2018 totalling US\$17 Million. ³

¹ These 620 cooperatives are not currently registered as SEs, although they do appear to comply with the definition under the SE Act (2019). The income increase is converted from 400,000-1,000,000 Thai Baht at 1 USD = 32 THB (as at March 2020).

² The amount of income turnover is 10-12 Million Baht at 1 USD = 32 THB (as at March 2020).

³ Calculated from 543,125,385 THB to USD at 1 USD = 32 THB

Table V: A Summary of Cases' Social Impact

Case Study	Social Goals	Social Impact
Happy Tribe (HT) (Self-social impact assessment by HT)	A <i>direct</i> SE for >30 years, with a social objective to improve hill tribes' communities' quality of life. Began as a donor-funded Foundation, now self-sufficient.	<u>Income</u> - Increased income of hill tribe citizen from US\$116 in 1988 to US\$2,945/person/year in 2017 <u>Educational opportunities</u> - Improved bachelor degree educational opportunities for hill tribe citizens from 0.2% in 1993 to 7.9% in 2016.
Green Trade (GT) (Published social impact assessment by Achavanuntabul and others (2017))	A <i>direct</i> SE for >15 years, encouraging rural organic farming and value-added agriculture products.	<u>Income</u> - Increased organic farmers' income to US\$31/Hectare (100%) - Decreased farmers' operational costs by US\$5.13/Hectare (31%).
Fisherman's Friend (FF1) (Published social impact assessment by Achavanuntabul and others (2017))	A <i>direct</i> SE for 5 years, whose trading business purchases organic fishery products from local fishing villages in rural areas.	<u>Income</u> - Increased income by US\$35-50/member/month
Farmers' Friend (FF2) (Self-social impact assessment by external evaluator)	A <i>direct</i> SE for >12 years, assisting rural agrarians to convert from conventional to organic farming and to sell their organic products.	<u>Income</u> - Social Return on Investment that every US\$0.03 invested, returns US\$0.08.
Folk Tales (FT) (Self-social impact assessment by external evaluator)	A <i>direct</i> SE for >5 years, working with marginalized communities seeking to showcase traditional ways of Thai life to tourists, especially through corporate tourism.	<u>Income</u> - Increased community's income by US\$14,063/year from the tourism activities during 2013-2016 - Generated US\$1,687,500 from 2011-2018 for local communities.
Golden Land (GL)	A <i>direct</i> SE for 25 years, whose agriculture food processes business purchases agricultural products from their social beneficiaries, mostly from hill tribe villagers who they encouraged to abandon opium cultivation. Began as a donor-funded Foundation, now self-sufficient.	No social impact assessment