

RESEARCH ARTICLE

Social Capital in Thai Social Enterprises and Related Communities

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Abstract: This study investigates elements of social capital in the Thai communities for social entrepreneurship and explores the characteristics and patterns of social capital mobilization through a survey of social enterprises. The study uses the qualitative approach based on cross-sectional data, non-participatory observation, focus group discussions, and semi-structured in-depth interviews. Representatives were taken from three social enterprises engaged in the business of hospitality, herbal products, and organic vegetables. The elements of social capital that emerged had two dimensions: the value-based and knowledge-based dimensions. The value-based dimension consisted of generosity, trust, harmony, industriousness, honesty, perseverance, and forgiveness, while the knowledge-based dimension involved learning ability, the ability to deliver knowledge, local wisdom, and the use of technology. The characteristics and patterns of social capital mobilization that emerged began from the categorization of related communities, the connection building through mediation, dialogue, trust in the social spirit of the communities, and the use of community capacity unto the generation of positive outcomes in those communities. All told, both social enterprises and the communities greatly benefited from the social capital generated.

Keywords: social capital, social enterprise, social capital mobilization, Thailand

Social entrepreneurship is advantageous to both public and private sectors as an alternative means of providing goods and services, and provides social benefits during the process. Some may consider that social benefits cannot go hand in hand with business where profit is the optimum goal. However, society no longer needs to be solely dependent on the practices of organizations such as governments or NGOs. Social entrepreneurship has become a way of promoting social benefits while

maintaining the legacy of doing business based on financial sustainability. The principle of social entrepreneurship is a mixture of efficiency and the capacity to create new innovations in association with preserving social benefits (Eakpaitoon, 2011). The combination of financial and social goals is a unique factor in social entrepreneurship. Social enterprises have objectives similar to society-oriented organizations but perpetuate their working style on the basis of financial sustainability and marketing,

thus taking advantage of both business ventures and societal perspectives. To operate a successful business or social entrepreneurship, capital is an important supporting component. However, such capital is not limited to finance only, but involves other forms such as the social capital available in the community as an operational resource (Laville & Nyssens, 2001; Wei-Skillern, Austin, Leonard, & Stevenson, 2007; Myers & Nelson, 2011).

In 2011, the government of Thailand, through the office of the Prime Minister, initiated a concrete policy to promote social entrepreneurship. The Royal Gazette reported that social entrepreneurship is represented by units operated by individuals, groups of individuals, or communities with the objective of improving and developing communities, societies, or environments under the support and collaboration of the public and private sectors, including foundations, charities, and educational institutions to achieve appropriate and sustainable development for society as a solution for social problems. In this regard, the Social Enterprise Master Plan (2010–2014) was issued as a guideline for enhancing the perception and dissemination of social entrepreneurship knowledge. It was also proposed to develop social enterprises in terms of formation, capacity, access to capital and resources, management, monitoring, and evaluation. The Thai Social Enterprise Office was therefore established as a national agency to advocate and coordinate the implementation of social entrepreneurship nationwide. However, in the Master Plan, social capital is neglected, and access to capital relates only to that provided by financial institutions such as commercial banks, co-ops, credit unions, and so forth, to support Thai social entrepreneurship in the long term (Thai Social Enterprise Office, 2010).

There are several forms of social enterprises in Thailand, operated by public-based agencies, private businesses, or community networks. Such ventures involve different kinds of goods and services such as community enterprises, savings co-ops, integrated farming, and so forth. Many of them concentrate on health-related goods and services such as hospitality, herbal products, and organic farming: operating in partnership with the community. This may be reflected in job creation, income generation, and

improvement of community well-being. However, there are a limited number of studies on social entrepreneurship in relation to social capital in communities (Laville & Nyssens, 2001; Myers & Nelson, 2011). There are also a limited number of works on Thai social entrepreneurship in relation to the social capital of Thai communities (Eakpaitoon, 2011; Nittayakasetwat, 2011). The objective of this study is to investigate elements of social capital in the Thai communities for social entrepreneurship. It also explores the characteristics and patterns of social capital mobilization of the social enterprises concerned.

Definition and Function of Social Entrepreneurship

The term “social entrepreneurship” is a composition of two words: society and entrepreneurship. In the past, there was no commonly accepted clear definition of social entrepreneurship (Seelos & Mair, 2004). However, there needs to be a clearer understanding of the society component in order to define social entrepreneurship. Society denotes three attributes of social capital: networks, norms, and social trust (Tan, Williams, & Tan, 2005). Kickul and Lyons (2012) offered the definition of society as an independent unit which garners people living and working together. It also denotes the significance and priority of social benefits over those of individuals. Therefore, reciprocal economic activities in a society are led by enterprises seeking new opportunities for the production of goods and services as well as responding to people’s needs. They also take on management matters concerning production inputs and prompt the acceptance of possible financial risks (Terry, 1995). Such enterprises can be innovative individuals or organizations which produce new goods and services, develop new production processes, or seek new markets with the aim of growing and developing their business (Lichtenstein & Lyons, 2010).

Social entrepreneurship can be defined as the prioritizing of social benefits over profit maximization. It is also defined as the implementation of change from social capital to social benefit as capitalist

entrepreneurship emphasizing altruism, while preserving the legacy of business-making (Tan et al., 2005). Brooks (2008) proposed that social entrepreneurship is a process which begins with the perception of social opportunities, then blends with business principles and the search for necessary resources to make the business grow for future benefit. Social entrepreneurship is like a bridge linking business principles with social benefits through brainstorming and the usage of society's capacities and resources (Roberts & Woods, 2005; Alvord, Brown, & Letts, 2004). The social enterprise will operate by seeking financial sustainability while concentrating on the mission for social benefit. If there is a surplus of financial profits, it will repay this surplus for the sake of the community (Kickul & Lyons, 2012).

Social Capital and Entrepreneurship

Social capital refers to elements such as trust, the spirit of citizens, solidarity, eagerness, and participation of the community (Evers, 2001). With these elements, Bourdieu (1986) employed the concept of social capital to explain class relations, arguing that it can strengthen the power of a group to perform social actions to create political change. Social capital represents public goods to which no specific individuals belong. It is generated from social activities bringing about ties, norms, and trust that vary in different social settings (Hirschman, 1984). Coleman (1988) proposed that social capital is a diversity of entities with two common elements: social structure and the facilitation of actions within that structure. Social capital is productive and has the ability to achieve goals in a similar way to other types of capital. However, it is not replaceable or interchangeable like physical and human capital since it is embedded into the structure of relationships between actors. The concept of social capital is vulgarized by Putnam when looking into the significance of relationships, especially among members of voluntary associations. Putnam (1993) offered that the voluntary cooperation of citizens in social activities has an impact on the allocation of

social capital, contributing to successful economic development and a strong society. The focus on family limits the meaningful explanation of social capital to broader social networks (Ridley-Duff, Seanor, & Bull, 2011). Halpern (2005) therefore elaborated on the concept of social capital offered by Putnam by covering the level of social fabric. It is proposed that the role of social capital is based on different levels of social networking, especially bonding and bridging. Bonding involves social networking with those who already know each other such as relatives and family members, whereas bridging represents the social networking of people who have no previous connections, such as in the relationship between social enterprise and the community.

Social capital represents the relationship between relevant and connected members. This creates a sense of belonging in a community based on mutual respect, trust, and reciprocity. Social capital acts like a bridge, connecting people with different backgrounds and capacities. It also bonds people in the community with common interests by generating mutual agreements based on their sense of belonging (New Hampshire Charitable Foundation, 2006). For social entrepreneurship to be successful, social enterprises must be equipped with the ability to build trust in resource mobilization, and this can be achieved by making use of social capital in the community. Mechanisms for balancing the benefits of different stakeholders are therefore needed to generate smooth relationships and mobilize resources within the community (Bacchiega & Borgaza, 2001). However, this may not be realized in all cases. Light and Dana (2013) studied the role of social capital in entrepreneurship within the Allutiiq ethnic group in Alaska. It is contended that, despite the abundant social capital employed for economic purposes, it was not used for entrepreneurship. It is suggested that social capital only works well for entrepreneurship when there is cultural capital support. The Swedish experience of social entrepreneurship recommends that, to ensure the survival of social enterprise, market resources should be reconverted into social capital and reproduced in the context of making such transactions possible (Stryjan, 2006).

Social Capital Mobilization for Social Entrepreneurship

A study by the Social Enterprise Coalition, an organization in the United Kingdom, revealed that social and community benefits are the main motives for social entrepreneurship, and regarded as objective of social enterprise (Ridley-Duff et al., 2011). The primary objective of social enterprise is to build value for those concerned (Mort, Weerawardena, & Carnegie, 2003), and should be built in such a way so as to distribute equitable power and wealth throughout the community (Ridley-Duff, 2011).

The definition of social capital offered by Coleman signifies the social skills performed by families and social networks to which individuals belong, whereas that offered by Putnam refers to the functions and network of an organization. The two definitions pave the way for a specific definition of social capital in association with social enterprise. Although social capital lies at different levels of the social structure, its association with social enterprise should be scoped within the public sphere in which the community plays an important role (Laville & Nyssens, 2001). Through engagement and cooperation, it is believed that social capital advocates social reform in the “hard to reach” community (Ridley-Duff et al., 2011, p. 86).

Crossing the boundaries of social enterprise in the community involves bridging capital which uses social capital to work with different parties to access resources in the community. This is the establishment of mutual cooperation through interactions between different strategic alliance networks (Ridley-Duff et al., 2011). Bridging capital prepares the ground for social capital mobilization in the community, leading to social entrepreneurship. Myers and Nelson (2011) proposed that it is necessary for social enterprise to narrow the gap between different parties in the community. Social enterprise must use networks and assets within the community for the sake of social capital mobilization. Social enterprise must rely on bridging social capital to create trust in the community. This would contribute to better understanding and improved relationships between social enterprises and the community.

The context of community is an important factor in social entrepreneurship. The relationship between communication and content impacts on the understanding and reaction of the community to information exchanged with social enterprises. This idea is based on the norm of social entrepreneurship in social capital mobilization to develop mutual trust (Amin, Cameron, & Hudson, 2002). Laville and Nyssens (2001) offered that social capital is an available resource which enterprise can use for the manufacture of goods and the provision of services. The use of social capital could increase productivity and generate greater efficiency with the cooperation and trust of the participant community. Moreover, with community development, social enterprise may gain support from the community in the production process through goodwill and relationship bonds. Such a business based on mutual understanding and benefit would create a sense of belonging, with collective benefits and interests through various networks in the community. To make this happen, it is necessary to make a commitment, including the introduction of formal rules and norms, based on equality between social enterprise and the community.

Methods

The methodology used in this study is based on the qualitative approach, using cross-sectional data, non-participatory observation, focus group discussion, and semi-structured in-depth interviews. Focusing on social enterprise and the community, the elements of social capital were investigated to discover how they contributed to social enterprise. This is followed by an exploration of the characteristics and patterns of social capital mobilization through a survey of social enterprises.

The selection of representative social enterprises and communities is based on purposive sampling. Three social enterprises were selected from the website of the Thai Social Enterprise Office (<http://www.tseo.or.th>) based on three categories of institution: community enterprises, public organizations, and private companies. The types of selected businesses were: hospitality, herbal products,

and organic vegetables. The offices of the three selected social enterprises were located in different parts of Thailand. The hospitality social enterprise was a homestay called Ban Huai Tan Sweet Home located in the western part of the country, while the herbal products operation of Muaeng Soong Hospital was located in the eastern region. The organic vegetables retailer known as Organic Cottage co-op was located in a suburb of Bangkok. The informants representing the three social enterprises were selected from the founders or middle management in charge of community relations. The identities of informants have been protected by the use of pseudonyms, in accordance with the ethical review protocol of the Committee for Research Ethics (Social Sciences) of Mahidol University numbered MU-SSIRB 2014/192 (B2).

The three selected social enterprises were chosen from three different communities. The homestay Ban Huai Tan Sweet Home is located within the Ban Huai Tan community. It is a semi-urban agricultural community in the western region. The community is also famous its wide variety of food with a workforce and food, as well as being a tourist attraction for the homestay operation. The herbal products social enterprise called Ban Khlong Bua is a community located in the eastern region. It is a rural agricultural community growing organic herbal plants as raw materials in the production of the herbal products for supply to Muaeng Soong Hospital. The retailer of organic vegetables is situated within the community of Ban Pong Tia in the northeastern region. It is also a rural agricultural community supplying organic vegetables to various branches of the Organic Cottage co-op in Bangkok. The informants were selected from community leaders or members working with the selected social enterprises. Pseudonyms of the related communities are used in accordance with the ethical review protocol.

The process of data collection began with non-participatory observation in each representative community. The data provided a pattern for the use of social capital in the production of health-related goods and services to support social enterprise. A focus group discussion was then conducted in each community using semi-structured questions

to the community leader and members regarding its history, goods and services, eminence of social capital support, its relationship with social enterprise, and the benefits gained. The purpose of this discussion was to investigate the elements of social capital in the communities for social entrepreneurship. Semi-structured in-depth interviews with representatives from each social enterprise were then conducted separately. These interviews provided general information on the rationale and objectives of the establishment and management of the community. In addition, viewpoints were obtained on the social capital contribution towards social entrepreneurship, characteristics and methods of social capital mobilization, and relationship building and benefits. The objective of a semi-structured in-depth interview is to explore the patterns and characteristics of social capital mobilization toward social entrepreneurship.

Although the literature review on the concept of social capital given by scholars such as Coleman and Putnam has been given, the analysis was not based on particular conceptual framework of social capital. After the collection of all necessary data, it was analyzed to interpret the contextual elements of social capital in the communities for social entrepreneurship and the characteristics and patterns of social capital mobilization of the selected social enterprises. The analytical process was based on content with induction by interpretation. Conclusions were drawn from the analyzed data based on the information gained and the empirical phenomenon of the fieldwork.

Results

Elements of Social Capital in the Communities for Social Entrepreneurship

This study found that several contextual elements of social capital existed in the communities. Although each community is different, common elements were found in all three. The elements of social capital can be classified into two main categories: value-based and knowledge-based dimensions. In regard to the value-based dimension, leaders or members

of the communities mentioned generosity, trust, harmony, industriousness, honesty, perseverance, and forgiveness. The knowledge-based dimension involved learning ability, ability to deliver knowledge, local wisdom, and the use of technology. All are elements of social capital that are used as capital for social entrepreneurship in health-related goods and services.

Value-Based Dimension of Social Capital

Generosity. Generosity was found in all three representative communities. In Ban Huai Tan, generosity was reflected in the inherited way of life of its members, such as food sharing. If individuals or families had insufficient food, they could always ask their neighbors to help. They also invited neighbors, passers-by, tourists, and guests of the Ban Huai Tan Sweet Home homestay to have a meal with them:

“When people visit Ban Huai Tan, and if they haven’t had breakfast yet, we’ll invite them to eat with us.” (A resident of Ban Huai Tan)

During religious events such as funerals, it was their tradition to help the hosts financially. In addition, they were willing to help strangers when asked without expectation of return. The Ban Huai Tan Sweet Home homestay valued this way of life and used it as social capital to attract visitors to learn about the community. In Ban Khlong Bua, the generosity of the community was revealed during a gathering of its members to establish an herb growing group. One of them donated a piece of land to build a drying plant for the common use of the group. Such generosity contributed to the community’s empowerment in becoming the source of organic herbal plants for the production of herbal products for Muaeng Soong Hospital. In the Ban Pong Tia community, their generosity was reflected by the head of the organic farming group. As leader, those vegetables grown by members were given priority for sale to the Organic Cottage co-op over those grown by him. To clarify, the leader’s products would be supplied when those of members had sold out. Having extensive experience

in growing organic vegetables, the leader of the group also shared his knowledge with members to help them in their career development. This contributed to a continuous supply of organic vegetables for the Organic Cottage co-op.

Trust. Trust was revealed by all three representative communities. In Ban Huai Tan, members revealed their trust to the founder of the Ban Huai Tan Sweet Home homestay since they were willing to become part of the business by responding to the idea of the community becoming a tourist attraction. Many community residents opened their houses to tourists to visit and learn about their way of life, such as cloth weaving, jasper cutting, and so forth. Some of them worked at the homestay and were responsible for cleaning, bedding, and home-grown organic vegetables. The members of Ban Khlong Bua community revealed their trust in Muaeng Soong Hospital. They followed the recommendations of delegates from the hospital who introduced herb planting based on organic methods. Thereafter, the members were pleased to participate in the herbal product business by setting up the herb growing group to supply organic herbal plants to produce herbal products for the hospital. Their trust was also expressed to the management of the group as each member needed to contribute 5% of their income each month to the central fund for utilities such as electricity, running water, or the purchase of new equipment. This ensured a continuous supply of organic herbal plants as raw materials:

“We wash herbal plants here, sharing the same basin. We pay for running water and electricity with the money we have contributed to the central fund. The contribution is 5% of our monthly income.” (A resident of Ban Khlong Bua)

Trust was revealed by the Ban Pong Tia community as well. Its members were willing to join the organic farming group proposed by the leader, and proud to become part of the group. Although the Organic Cottage co-op was not involved in the establishment of the group, it took the opportunity to seek more supplies of organic vegetables as products for retail sale.

Harmony. Harmony was revealed from two communities: Ban Huai Tan and Ban Khlong Bua. In Ban Huai Tan, the members revealed their harmony in religious events such as monk ordination, funerals, and so forth. In the past, monk ordination was organized collectively. Combined into one event, three to four men were ordained at the same time. Collective funerals were also organized. Although nowadays such events are organized individually, members still participate and assist the hosts with money. During the Thai New Year or Songkran Festival, they participated in a stage play to demonstrate their cultural way of life. With more than 100 members participating as actors, the play was sponsored by the Tourism Authority of Thailand through coordination with the abbot of the community's monastery. This attracted more visitors to Ban Huai Tan Sweet Home homestay. Members of the Ban Khlong Bua community revealed their harmony during establishment of the herb growing group. Initially, there were more than 70 families showing an interest in joining the group. However, many of them withdrew as they could not accept the conditions of organic farming proposed by Muaeng Soong Hospital. There were just 16 persons from 14 families insisting on joining the hospital business. This remaining group was referred to by others as *Klum Hua Khaeng* literally meaning hard-head or die-hard:

“We love one another. If criticized by others, we're prompt to protect our dignity. People call us *Klum Hua Khaeng*.” (A resident of Ban Khlong Bua)

The group members also helped one another when bidding for funding from central government. In this regard, they had to compete with another organized group having a greater number of members (the flower growing group) and finally won the bid. The funding was one million Thai Baht but the funds were put on hold by local government after being transferred from central government. They had to struggle for the funds by gathering and complaining to the Provincial Treasury Office until the local government finally released the funds. Part of this money was spent on the purchase of ovens for the

drying plant. The element of harmony clinched the business deal with Muaeng Soong Hospital to supply herb plants for the production of herbal products.

Industriousness. Industriousness was revealed in the Ban Huai Tan and Ban Pong Tia communities. In Ban Huai Tan, members were hard-working and tended to have many jobs in order to generate more income for their families. Although rice cultivation was their main job, they also worked in coriander cultivation, cloth weaving, and so forth. Serving high market demand, they also picked wild mushrooms which could be sold at high prices. Many of them worked for the Ban Huai Tan Sweet Home homestay as cooks, housekeepers, or gardeners to gain extra income. In this respect, the homestay benefited from the industriousness of community members since its owner could always find workers easily. In Ban Pong Tia, members of the organic farming group revealed their industriousness and claimed that, as farmers, they must be diligent and could not procrastinate:

“As farmers, we can't procrastinate. We must do whatever we can. In fact, there's no poverty among industrious people.” (A resident of Ban Pong Tia)

In addition, they could never grumble that they were tired of working. Due to their industriousness, the supply of organic vegetables to the Organic Cottage co-op could always be guaranteed.

Honesty. Honesty was revealed only by the Ban Huai Tan community. Members were honest in their work. This was reflected especially in the way they weaved a kind of traditional cloth: *Pha Khao Ma Lai Ta Chak*. As a local industry, they weaved with traditional looms with a view to seeking supplementary income. The best quality mixed cotton and polyester yarns were chosen and weaved in such a way so as to make the cloth durable by poking it firmly at every step. Despite recommendations from others to lower the quality, they still insisted on using this method. They felt uncomfortable making poor quality cloth, and they did not want to take advantage of customers:

“Buyers don't know the cloth weaving process, but it's the makers who know it...I

feel uncomfortable if cloth of poor quality is sold.” (A resident of Ban Huai Tan)

Their honesty contributed to the business of Ban Huai Tan Sweet Home homestay as the participation of community members would assure service quality.

Perseverance. Perseverance was revealed by two communities: Ban Khlong Bua and Ban Pong Tia. Members of Ban Khlong Bua revealed their perseverance during the bid for funding from central government to support the operation of the herb growing group during the initial phase of producing organic herbal plants. As the initial phase was just experimental, they could not grow and harvest the herbal plants in sufficient quantities to supply Muaeng Soong Hospital. They could not therefore generate the expected income, and also faced a deficit as they were still indebted to the Bank for Agriculture and Agricultural Cooperatives and other financial institutions where they had obtained loans. However, they continued to grow organic herbal plants strictly following the hospital’s guidelines until they were in profit and became self-dependent. In turn, the hospital benefited from their perseverance as the herb growing group became strong and more efficient in producing organic herbal plants as raw materials for the production of herbal products. In Ban Pong Tia, members of the organic farming group revealed their perseverance in organic farming. As cultivation costs were high, they had to find ways of reducing the cost, such as through water management, special care during the growing process, and so forth:

“Nowadays the production cost is high, very high. I’m still experimenting how to reduce the production cost as much as possible.” (A resident of Ban Pong Tia)

The local climate and seasonal weather were also obstacles to growing some kinds of vegetables. Despite failure during the initial phase, members learned by trial and error. They also kept improving the growing method of organic vegetables. This assured the production of quality organic vegetables to be supplied to the Organic Cottage co-op for retail sale.

Forgiveness. Forgiveness was revealed by the Ban Khlong Bua community only. Although there were obstacles caused by the unsupportive actions of the local government and other members of the community during establishment of the herbal growing group, the group members forgave those people because everyone in the community had to interact with each other. They all had a role to play in promoting the herbal growing group as a learning center for those interested in herbs:

“Previously, we couldn’t get along well with them (people from the local government)...As now they need information from us, we’ve forgiven them all for what happened in the past.” (A resident of Ban Khlong Bua)

This contributed to the production of herbal products for Muaeng Soong Hospital as community members displayed self-determination to become a partner in the business by ignoring obstacles.

Knowledge-Based Dimension of Social Capital

Learning ability. The learning ability of members was revealed by all three representative communities. Members of the Ban Huai Tan community revealed their learning ability by participating in the business of the Ban Huai Tan Sweet Home homestay. As daily workers employed by the homestay, they could learn and develop skills in the hospitality business such as cleaning, bedding, room arrangements, and so forth. In addition, they could learn and practice how to grow organic vegetables to serve the homestay guests. With their developed skills, the homestay could use the workforce in the community to greater advantage. In the Ban Khlong Bua community, members of the herb growing group revealed their learning ability by growing organic herbal plants following the recommendations of Mueang Soong Hospital. This represented a change for them since before the establishment of the group, they had grown flowers and decorative plants, depending on chemicals such as fertilizers, pesticides, and so forth. In this regard,

the hospital was able to obtain raw materials for the production of herbal products as specified. Trial and error notwithstanding, the members of Ban Pong Tia community also revealed their learning ability to grow organic vegetables to supply the Organic Cottage co-op. This ensured that the business could obtain organic vegetables for retail sale.

Ability to deliver knowledge. The members of all three representative communities revealed their ability to deliver knowledge. In cooperation with Ban Huai Tan Sweet Home homestay, they promoted Ban Huai Tan as a cultural tourist attraction, by transporting tourists around the community in a *Rod Ee Taen* to pass on knowledge and explain their way of life. As a result, more visitors stayed at the homestay. The Ban Khlong Bua community also revealed an ability to deliver knowledge. The herbal growing group had become a learning center for herbs, and visitors could request a guided tour to explain the group's activities. The herb growing group also ran a training center for students of traditional medicine. Muaeng Soong Hospital had benefited indirectly from the ability of the group members. As the knowledge of herb use in medicine spread, in turn, more people were encouraged to consume and purchase herbal products produced by the hospital. Members of the organic farming group in the Ban Pong Tia community revealed their ability to deliver knowledge through the establishment of a learning center for organic farming. To share intellectual capital, it was the head of the group who presented and shared his organic farming experience with visitors. He had also been invited by educational institutions and public agencies to lecture on the subject. This promoted greater consumption of organic vegetables sold by the Organic Cottage co-op.

Local wisdom. Local wisdom exists in all three representative communities and was demonstrated by the Ban Huai Tan community in the weaving of *Pha Khao Ma Lai Ta Chak* cloth using traditional looms. The cloth was made of mixed cotton and polyester yarns and prodded firmly at every step to make it more durable. In addition, community members used a rare kind of local vegetable called *Phak Proh* (*Kaempferia marginata* Carey) to cook various kinds of food. They also managed to grow termite

mushroom by creating a heap of dried leaves to lure a termite called *Hun Sae* to bear the spore. These local wisdoms were used to attract more visitors to the Ban Huai Tan Sweet Home homestay. In the Ban Khlong Bua community, local wisdom was related to using a herb called *Ya Hee Yum* or *Ya Repair* (*Centotheca lappacea* (L.) Desv.). Community members put a coconut shell containing this herb on a fire, using the smoke to treat the mother after childbirth. They also used it to treat other diseases such as aches, pains, and hemorrhoids. It could be used as whitening lotion as well. Therefore, Muaeng Soong Hospital promoted its use and development in products for commercial purposes. The Ban Pong Tia community had a technique to "make a wall" by growing plants such as spring onions, leeks, lemon grass, and so forth to prevent insects. Tomato plants were also grown as the smell of their leaves could prevent insects. To keep the organic vegetables fresh, they sprayed them frequently with milk. Good quality fresh vegetables, grown using these local wisdoms, were preferred by the Organic Cottage co-op as they could be sold for a better price.

The use of technology. The use of technology was revealed in two communities: Ban Huai Tan and Ban Khlong Bua. In Ban Huai Tan, the locally-invented lorry, *Rod Ee Taen*, was used to transport tourists and guests of Ban Huai Tan Sweet Home homestay around the community for sightseeing purposes. This was an added attraction to facilitate their stay. In the Ban Khlong Bua community, members of the herbal growing group used technology to improve the quality of organic herbal plants after harvesting. In the past, when sun drying, they always faced a moisture problem and therefore built the drying plant, using ovens to solve this problem and speed up the drying process. They used cutting machines for the organic herbal plants to facilitate the cutting process. The use of technology has contributed to a more effective supply of organic herbal plants to Muaeng Soong Hospital.

Social capital mobilization for social entrepreneurship. The characteristics of social capital mobilization for social entrepreneurship in health-related goods and services were revealed by representatives of the selected social enterprises.

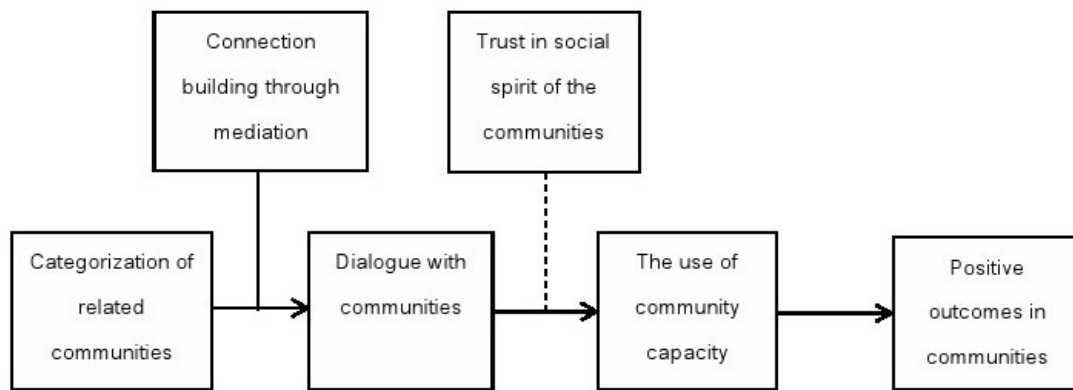


Fig. 1 *Patterns of social capital mobilization for social entrepreneurship*

These characteristics may formulate the patterns of social capital mobilization, beginning with the categorization of related communities, building connections through mediation, dialogue, trust in the social spirit of the communities, and the use of community capacity to generate positive outcomes as illustrated in Figure 1.

Categorization of Related Communities

The categorization of related communities participating in social enterprise was the initial step towards social capital mobilization. Social enterprise prioritized communities based on their potential to become suppliers. For instance, Mueng Soong Hospital began by dividing the related communities into two categories. The first category related to communities designated as merely a place where knowledge of herbs could be obtained. The second were communities specifically invited to become growers of herbal plants for the hospital's herbal products business. Due to the government policy of promoting the use of traditional Thai herbs as an alternative to Western medicine, the hospital was determined to specialize in the production of herbal products. As it could not grow the herbal plants itself, the hospital approached the Ban Khlong Bua community to introduce the cultivation of organic herbal plants to supply its raw materials.

The Organic Cottage co-op also divided the related communities into two categories. The first category involved communities possessing the strength to implement organic farming. This kind of community had the ability to grow organic vegetables and was certificated. The second category concerned communities with limited skills in organic farming. Such communities were usually small and situated in remote areas. There was no agency to inspect and certify the standards of organic farming in such communities. Therefore, it was the main target of the co-op to provide support to develop into suppliers of organic vegetables.

Building Connections Through Mediation

Mediation played a crucial role in establishing the connection between social enterprises and target communities. During the initial business establishment phase, the founder of Ban Huai Tan Sweet Home homestay met with the abbot of a monastery in the Ban Huai Tan community to talk about its characteristics. He explained that cultural community was suitable for a tourist attraction for both locals and foreigners. As the community members were not familiar with the tourist industry, the abbot suggested to the founder that a homestay business be set up, based on the concept of slow-life relaxation:

“At first, I visited the abbot at the monastery...He suggested establishing a homestay for tourists. As my house had already been built in this community, I followed his suggestion by transforming it to a homestay... He also helped me deal with the community members and draw their contributions to run the homestay business...” (The founder of Ban Huai Tan Sweet Home homestay)

Since Ban Huai Tan possessed both value and knowledge-based social capital elements, the founder could use them to attract tourists and guests to stay at the homestay. In order to access a suitable supplier of herbal plants, Muaeng Soong Hospital first coordinated with NGOs working on the issue of forest preservation such as the Sueb Nakhasathien Foundation. The Foundation suggested it target communities with herbal plant availability. The hospital also obtained information about target communities through recommendations from university lecturers working within those communities. Through these mediators, the hospital managed to establish a connection with suitable communities, inviting them to become herbal growers, and supplying organic herbal plants for the production of herbal products.

Dialogue with Communities

After a connection had been established between social enterprises and communities, the next step was for them to become closer by entering into dialogue. For instance, a casual meeting was organized between members of the Ban Khlong Bua community and Muaeng Soong Hospital to create an atmosphere of fraternity:

“We started from a meeting with the community members. Firstly, it was a formal meeting. Later, we changed it to casual meetings in order to build the atmosphere of fraternity...The meetings were beneficial as they contributed to enhancing working cooperation with them.” (A representative from Muaeng Soong Hospital)

Delegates from the hospital addressed community members about working in cooperation and recommended they refrain from using chemicals in farming. The delegates therefore convinced the farmers to adopt an organic approach in the cultivation of herbal plants. Guaranteed income was also assured if they could grow and supply herbal plants which met the standards and quality set by the hospital. In addition, they were given leeway to sell herbal plants to others in the case of surplus. As the delegates were health personnel, they did not have sufficient skills to communicate with community members so the hospital employed special staff, well-versed in community relations, to participate in negotiations in order to facilitate effective communication.

Trust in the Social Spirit of Communities

To deal with the communities and convince them to participate in social enterprises, the business had to also trust in the social spirit of the community. In order to obtain organic vegetables for retail, the Organic Cottage co-op used randomization to inspect incoming products sent by community members to check whether they fitted the required standards and quality regardless of certification. The co-op also needed to trust in the community’s social spirit, since it meant prioritizing the health of others over financial gain:

“Organic farmers have the spirit to do for society. They prioritize health over money... When we work with them; we feel they have this kind of spirit. This job is their self-reflection.” (A representative from Organic Cottage co-op)

The co-op would prosper whether or not the community members possessed this sort of spirit before making closer connections to support them in becoming suppliers. This was to ensure that the community members would grow organic vegetables which met the required standards.

The Use of Community Capacity

Once the connection between social enterprise and the community had been firmly established, existing community capacity was applied for the sake of their business. The members of Ban Huai Tan already possessed some farming skills as it was basically an agricultural community. However, the method they used for cultivation was based on chemicals. As the founder of the homestay had the idea of serving guests with organic vegetables, growing them in the homestay's garden was introduced so that farmers in the community could apply their existing skills to grow them. This implementation was successful and productivity of organic vegetables increased sufficiently to serve guests and leave a surplus for sale. Community capacity is reflected in the Organic Participatory Guarantee System (Organic PGS) introduced by the Organic Cottage co-op for communities with limited organic farming skills but intending to grow organic vegetables to supply to the co-op. The principle of the scheme involved the participation of the community in determining their working process to achieve the required standards and quality of the produce. Based on existing agricultural farming capacity, the co-op suggested that the community members form a group to discuss their own organic standards and quality required by the co-op. If the group could manage to produce organic vegetables, meeting such standards and quality, the co-op would purchase their vegetables for its retail shops in Bangkok:

“In fact, the capacity of farmers has existed. The farmers have a capacity for being producers. They have pursued their agricultural work since a long time ago... We just persuaded them to adopt the organic farming and become our suppliers.” (A representative from Organic Cottage co-op)

The group would receive guaranteed income from the co-op for as long as it could grow and produce organic vegetables which meet the required standards.

Positive Outcomes in Communities

Social capital mobilization for social entrepreneurship generated positive community outcomes. Participation in the Ban Huai Tan Sweet Home homestay business produced positive outcomes for members of the Ban Huai Tan community. As they were employed by the homestay, they adopted certain responsibilities such as cleaning, bedding, room arrangement, and so forth, in performance of their daily routines at home. In addition, they used the knowledge gained in organic gardening for their farmlands. The introduction of the Organic PGS scheme of the Organic Cottage co-op through the participation of community members in the growing process of organic vegetables generated positive outcomes for them as well. Although they did not become rich from growing organic vegetables to supply to the co-op, being suppliers under the Organic PGS scheme contributed to a systematic working method. In addition, the extra confidence gained from their involvement with the co-op prevented them from migrating to the city as they could earn sufficient income in the community.

Conclusion

This study is an investigation of the elements of social capital in the community as capital for social entrepreneurship in health-related goods and services. In addition, it is an exploration of the characteristics and patterns of social capital mobilization in running social enterprises. The success of social entrepreneurship is not restricted to financial capital. Social capital is also a significant factor for favorable outcomes as it is necessary for social enterprise to interact with the communities involved. In this manner, they could draw social capital from the community as a contributive resource to the success of their business (Laville & Nyssens, 2001; Wei-Skillern et al., 2007; Myers & Nelson, 2011). The study revealed elements of social capital, as capital for social entrepreneurship in Thailand. Three business types were selected: hospitality, the production of herbal products, and the retail of organic vegetables.

All of these social enterprises had connections with the representative communities, using them as a basis for the production and supply of goods and services. The social enterprises drew social capital from the community, both value-based and knowledge-based, as capital to support their operations. Several common contextual elements of the value-based dimension of social capital were revealed by the communities: generosity, trust, harmony, industriousness, honesty, perseverance, and forgiveness. In the knowledge-based dimension of social capital, the communities revealed common contextual elements contributing to the operations of social enterprises: learning ability, ability to deliver knowledge, local wisdom, and the use of technology.

To mobilize these elements of social capital to benefit social entrepreneurship, the social enterprises disclosed the characteristics of social capital mobilization which formed a pattern for the related communities. They began with the categorization of the related communities. Communities with which they established connections were likely to be targets to become their partners. To realize connections, they accessed communities with the assistance of mediators who were familiar with those communities such as NGOs, spiritual leaders, academics, and so forth. Thereafter, they approached the target communities to discuss the situation, presenting the nature of their business and convincing the community members to become partners or suppliers of health-related products and services to the social enterprises. The social enterprise had to enter into the spirit of the community as it was believed that members would produce and supply goods and services based on the mentality of “doing something for society.” As the social enterprise realized the existence of social capital in the community, they speculated that it would be used as capital based on the capacity of the communities to run their business. The use of social capital as capital for goods and services eventually generated positive outcomes to the communities.

In fact, social capital mobilization from the communities for social entrepreneurship produced mutual benefit for both social enterprise and the community. A representative from “Organic Cottage” co-op said:

“We (social enterprises) would survive, so could they (communities).”

That is, the social enterprises could manage to run their business in the communities as the basis for production as well as the suppliers of products and services. The communities also benefited from social enterprise as it generated income for them. A resident of Ban Khlong Bua said:

“It was better than before. They (social enterprises) improved our economic status.”

In addition, good practices were introduced by the social enterprises, generating positive outcomes such as agriculture without chemicals and a proper living environment. The mutual benefits could foster the “social value proposition” which is a crucial factor determining support from clients of social enterprises, pushing social entrepreneurship growth (Wei-Skillern et al., 2007). The use of social capital from communities for the sake of goods and services also crosses the boundary of the social enterprise into the community. They could also establish connections in the interests of co-working and accessing each other’s ideas and resources. This advocates the strategic alliance by cooperating with each other to produce health-related goods and services based on the social credits of social enterprises and social networks in the community reflecting a straightforward transactional relationship. Their relationship and mutual understanding could be strengthened by narrowing the gap between the two parties to achieve mutual benefit and contribute to the growth of social entrepreneurship.

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