

Business Structure in Thailand and Community Self-Reliance: A Critical Analysis and Policy Recommendations

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Abstract

This article is a conceptual and narrative literature analysis that rigorously analyzes the correlation between company structure in Thailand and the policy of community self-reliance. The objectives are threefold: to research capitalist economic systems, to examine collective organizational structures, and to evaluate family enterprises as micro-level entrepreneurial

units. The review utilizes political economy, organizational theory, family business research, and entrepreneurship literature. The results demonstrate that Thailand's business framework is significantly influenced by household and family-owned firms, which advantageously possess concentrated ownership, adaptable decision-making, and immediate entrepreneurial motivations. Conversely, collective-based models such as cooperatives, community enterprises, and OTOP promote social inclusion and local engagement but frequently encounter challenges in governance, incentives, market adaptability, and scalability. The comparative research indicates that community self-reliance policy should not depend exclusively on communal ownership models but should also enhance household-level entrepreneurship via financial resources, business training, market access, and institutional support. The paper reframes homes and family enterprises as significant components of community economic growth. This study mostly relies on secondary literature and conceptual analysis, lacking actual empirical testing or field-based evidence, which should be addressed in future research.

Keywords: Business Structure, Community, Self-Reliance, Critical Analysis, Policy, Recommendations

Introduction

The structure of business is a crucial determinant of economic development, especially in emerging nations where small and medium-sized firms (SMEs) are the foundation of employment, output, and revenue generation (Harvie, 2010; Yoshino & Taghizadeh-Hesary, 2016). In Thailand, numerous prosperous organizations are structured around familial and

household ownership, mirroring a wider Asian trend where family-controlled firms significantly contribute to corporate expansion and economic stability (Carney & Child, 2013; Claessens et al., 2000).

Thai public policy has historically advocated for community self-reliance via collective structures, including cooperatives, community enterprises, and the One Tambon One Product (OTOP) initiative. These policies seek to diminish inequality, enhance local engagement, and foster social cohesion (Birchall, 2011; Peredo & Chrisman, 2006). Despite their social value, such policies frequently encounter practical challenges, including ambiguous accountability, inadequate incentive frameworks, protracted decision-making, restricted financial access, and obstacles in competing within market-driven economic systems (Hansmann, 1996; Cook & Burrell, 2009; Ortmann & King, 2007).

This establishes a considerable research void. Current discourse frequently highlights the normative significance of community self-reliance, although it tends to overlook the economic efficacy of communal organizational structures within Thailand's capitalist and market-oriented environment. The function of household and family enterprises as practical components of community economic development remains little examined.

This article intends to: (1) analyze the structure of business units in Thailand within a capitalist economic framework; (2) evaluate the strengths and weaknesses of collective organizational forms employed in community self-reliance policies; and (3) assess the viability of family enterprises as micro-level entrepreneurial entities for sustainable local economic development. The report additionally recommends policies at the federal,

regional, and local levels to enhance household-based entrepreneurship while preserving the social advantages of community-focused growth.

Review Literature

This study employs an interdisciplinary analytical framework based on political economy, organizational theory, and entrepreneurship studies to analyze the structure of business units in Thailand. The framework incorporates three fundamental conceptual pillars: (1) capitalist economic systems, (2) collective organizational forms, and (3) family enterprises as micro-level entrepreneurial entities. These ideas establish a foundation for critically evaluating the congruence between economic realities and policy strategies for community self-reliance.

1. Capitalist Economic Structure

Capitalism is defined as an economic system marked by private ownership of production means, market coordination, competition, and profit maximization (Hansmann, 1996; North, 1990). In capitalist systems, companies function as independent entities that react to price signals, manage resources effectively, and seek innovation to maintain competitive advantage (Porter, 1985; Acemoglu & Robinson, 2012).

The literature underscores that effective markets rely on institutional quality, property rights, and entrepreneurial incentives, which collectively promote capital accumulation and sustained economic growth (North, 1990; Acemoglu & Robinson, 2012). In this setting, company success is frequently linked to well-defined ownership structures, accountability systems, and robust incentives for efficiency and innovation (Williamson, 1985).

Empirical research indicates that capitalist organizational structures, especially privately owned enterprises, exhibit enhanced adaptability and performance in dynamic contexts owing to their ability for swift decision-making and strategic flexibility (Djankov et al., 2003; La Porta et al., 1999). These attributes are especially pertinent in emerging nations, where institutional limitations compel enterprises to depend significantly on internal governance and entrepreneurial initiative.

2. Collective-Based Model

Unlike capitalist institutions, collective-based models prioritize shared ownership, democratic governance, and equal distribution of rewards among participants. These approaches are generally exemplified in entities such as cooperatives, community enterprises, and mutual associations (Birchall, 2011; Peredo & Chrisman, 2006). The theoretical basis of these models focuses on mitigating market failures, diminishing inequality, and fostering social cohesiveness via collective action (Ostrom, 1990).

Community-based firms are typically regarded as hybrid organizations that aim to achieve both economic and social goals, reconciling efficiency with inclusivity (Ebrahim et al., 2014). They are especially pertinent in rural and marginalized settings, where access to finance and markets is constrained, and collective action can augment bargaining power and resource mobilization (Peredo & Chrisman, 2006).

A significant corpus of scholarship underscores the structural limits inherent in communal governance. This encompasses inefficiencies in decision-making, free-rider issues, inadequate incentive frameworks, and challenges in operational scalability (Hansmann, 1996; Cook & Burrell, 2009). The dispersion of ownership may diminish responsibility and impede

strategic responsiveness, especially in competitive market contexts (Ortmann & King, 2007). Consequently, although collective-based models can significantly contribute to social development, their efficacy as principal catalysts of economic growth is still debated.

3. Family Business

Family enterprises are a predominant organizational structure worldwide, especially in Asia and other developing economies (Claessens et al., 2000; Carney & Child, 2013). A family firm is typically characterized as an enterprise whose ownership and administration are governed by family members, frequently spanning several generations (Chrisman et al., 2012).

The literature delineates certain unique attributes that facilitate the success of family enterprises. These encompass long-term orientation, a robust commitment to continuity, and the amalgamation of familial and economic resources (Miller & Le Breton-Miller, 2005). Family enterprises benefit from elevated levels of trust, social capital, and tacit knowledge, which bolster organizational coherence and diminish transaction costs (Gedajlovic et al., 2012).

Furthermore, family enterprises typically demonstrate enhanced adaptability and expedited decision-making relative to collective organizations, allowing them to react more efficiently to market fluctuations (Carney, 2005). Their governance frameworks typically correlate ownership with control, therefore enhancing responsibility and entrepreneurial motivation (La Porta et al., 1999).

A recent study underscores the significance of family enterprises in promoting resilience and sustainability, especially under volatile economic conditions. Their capacity to equilibrate economic and non-economic

objectives enables them to seek long-term value creation while preserving adaptability (Chrisman et al., 2012; Miller & Le Breton-Miller, 2005).

Synthesis of the Framework

Collectively, these three conceptual frameworks establish a foundation for examining the structural dynamics of business units in Thailand. Capitalist models concentrate efficiency, competition, and profit motives; collective models focus on equity and social cohesion but encounter governance difficulties; whereas family enterprises have a hybrid structure that merges private ownership with intrinsic social capital. This framework facilitates a rigorous analysis of the alignment between policy strategies that emphasize collective organization and the structural attributes of successful business units, as well as the potential of household-level enterprises to provide a more feasible route for sustainable economic development.

Conceptual Framework

This research employs a conceptual framework based on political economy, organizational theory, family business theory, and entrepreneurship studies to analyze the correlation between business structure in Thailand and community self-reliance. The framework comprises three primary analytical variables: (1) capitalist economic systems, (2) collective organizational structures, and (3) family enterprises as micro-level entrepreneurial organizations. These factors are utilized to rigorously examine the impact of various organizational structures on the efficacy of

community self-reliance policies and to develop policy suggestions suitable for Thailand's socio-economic environment.

The independent variable is business structure, delineated by two distinct organizational forms: capitalist economic systems, defined by private ownership, market competition, entrepreneurial incentives, and profit-driven decision-making; and collective organizational forms, exemplified by cooperatives, community enterprises, and analogous entities that prioritize shared ownership, democratic governance, and collective advantages (Hansmann, 1996; Peredo & Chrisman, 2006). Diverse organizational structures are anticipated to influence organizational performance through variations in governance, incentives, responsibility, and flexibility in response to market conditions (North, 1990; Williamson, 1985).

The intervening variable is critical analysis, which assesses how governance structures, ownership concentration, entrepreneurial incentives, decision-making efficiency, and market responsiveness mediate the relationship between corporate structure and developmental results. This analytical feature facilitates a thorough evaluation of the advantages and disadvantages of market-oriented versus collective organizational models within the Thai institutional framework.

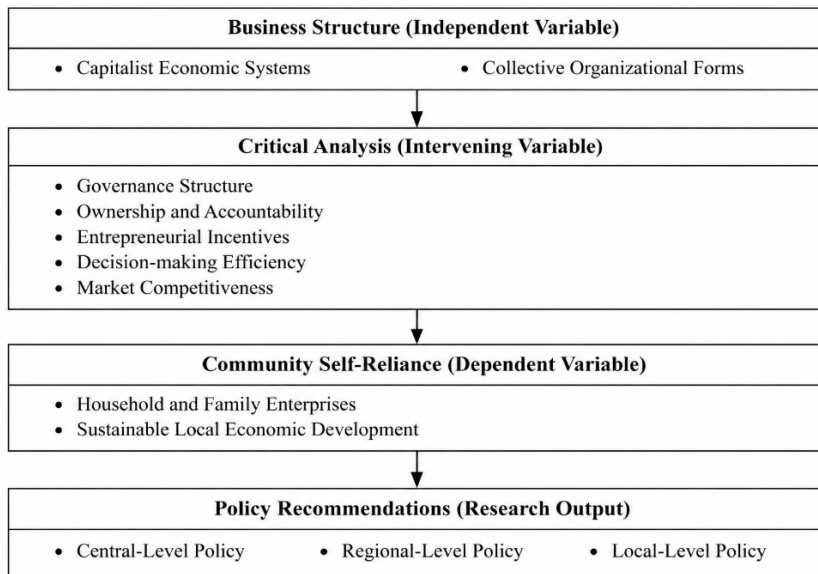
The dependent variable is community self-reliance, which is defined as the ability of households and communities to foster sustainable economic development via productive business endeavors. The research posits that family enterprises serve as a significant micro-level entrepreneurial mechanism linking business structure to community self-sufficiency, as they integrate concentrated ownership, adaptable

governance, accumulated social capital, and long-term investment motivations (Chrisman et al., 2012; Gedajlovic et al., 2012).

Consequently, policy recommendations represent the practical outcome of the study based on this conceptual relationship. The recommendations stem from a comparative analysis of various business structures and suggest strategies to enhance household-based entrepreneurship while preserving the social roles of community organizations through suitable policies at the central, regional, and local levels.

Figure 1

Conceptual relationship



Methodology

Research Design

This study utilized a qualitative research methodology, incorporating documentary investigation, a narrative literature review, and comparative conceptual analysis. The study synthesized and critically analyzed existing academic literature to investigate the relationship between business structure in Thailand and community self-reliance, rather than gathering original empirical data. The investigation concentrated on discerning the advantages and drawbacks of alternative organizational models and their consequences for public policy.

Data Sources

The research utilized solely secondary data sourced from peer-reviewed journal articles, academic texts, governmental publications, and reports from international organizations pertaining to business structure, family enterprises, entrepreneurship, community enterprises, cooperatives, small and medium-sized enterprises, and community self-sufficiency. Priority was accorded to robust theoretical and empirical research related to Thailand and other emerging economies to ensure contextual relevance and comparative insights.

Data Analysis

The gathered literature was examined through comparative conceptual analysis. The analysis was conducted in four phases. Initially, pertinent ideas and empirical evidence were categorized into three primary conceptual domains: capitalist economic systems, collective organizational

structures, and family enterprises as micro-level entrepreneurial organizations. Secondly, the similarities and contrasts among these organizational types were rigorously analyzed concerning governance structure, ownership, entrepreneurial incentives, decision-making efficiency, and market competitiveness. The data were analyzed in relation to Thailand's corporate framework and community self-reliance policies to discern areas of alignment and discrepancy between policy assumptions and organizational realities. The analytical findings were ultimately combined to formulate policy suggestions at the federal, regional, and local levels.

Scope and Limitation

This study relies exclusively on documentary evidence and conceptual analysis, with its results drawn from existing literature rather than original field data. Thus, the results ought to be regarded as analytical statements rather than causal empirical data. Future research utilizing qualitative fieldwork or quantitative analysis is advised to corroborate and expand upon the results articulated in this article.

Results

1. Structure of Business Units in Thailand

Thailand's business framework can be characterized as a hybrid system, wherein a substantial SME sector coexists alongside highly concentrated major business conglomerates. One of its most remarkable structural characteristics is the persistent prominence of family-based ownership and control, particularly among the nation's most prosperous enterprises. Research on Thai corporate groups indicates that numerous

prominent and significant economic entities are governed by familial clans, with familial connections remaining profoundly integrated in ownership, board structure, and executive leadership. Bertrand et al. (2008) illustrate that ownership and control in Thailand are predominantly structured around familial frameworks, based on data from 93 of the top Thai business families. Similarly, Suehiro and Wailerdasak (2004) and Yabushita and Suehiro (2014) demonstrate that substantial Thai conglomerates continue to be predominantly family-oriented despite modernizing governance and internationalizing activities.

This pattern indicates that Thailand's business system is not merely a dichotomy of "small local enterprises" vs "modern corporations." It is a system wherein numerous large corporations developed from smaller family or household operations and subsequently grew via sustained capital accumulation, diversification, and intergenerational continuity. The Thai situation aligns with broader findings from Asia indicating that concentrated ownership and familial control are prevalent organizational structures in environments where family networks, internal capital distribution, and relational governance are significant. Claessens et al. (2000) and La Porta et al. (1999) demonstrate that ownership concentration is a salient characteristic of corporate frameworks in numerous Asian and emerging-market nations, with family-controlled enterprises holding a notably significant position. In Thailand, this phenomenon is particularly evident in corporate conglomerates where familial ties influence both formal power and informal collaboration.

A second significant characteristic of Thailand's economic framework is that management is intimately linked to familial networks. Thai

family enterprises often maintain strategic decision-making within the family, despite the introduction of professional managers at subordinate or mid-level positions within the organization. Bertrand et al. (2008) demonstrate that the sons of founders have particularly significant roles in ownership and board participation, especially following the succession of the founder. Suehiro and Wailersak (2004) contend that Thai family enterprises endure not solely as ownership entities, but as governance frameworks where familial authority, loyalty, and succession planning are paramount. Recent studies by Sitthipongpanich and Polsiri (2015) and Boonlert-U-Thai and Sen (2019) affirm that familial engagement persistently influences firm-level results in Thailand, encompassing governance quality, management incentives, and financial reporting quality. The data suggest that "kinship management" in Thailand is not merely a traditional vestige; instead, it constitutes a persistent organizational rationale.

A third identifying factor is sustained capital accumulation and ongoing corporate expansion. Thai family enterprises and family-managed company conglomerates have frequently expanded by reinvesting profits, diversifying into both related and unrelated industries, and maintaining ownership throughout generations. Yabushita and Suehiro (2014) elucidate the methods by which Thai family business groups navigate pivotal transition phases via organizational adaptation while maintaining familial authority. The ability to expand amidst ongoing ownership concentration suggests that family businesses in Thailand are not solely small-scale enterprises; they may also serve as the basis for substantial and diversified conglomerates. Somboonvechakarn et al. (2022) demonstrate in their examination of Thai family SMEs that intergenerational continuity relies on the effective transfer

of tacit knowledge, business values, and innovation-driven competencies. Collectively, these studies indicate that family businesses in Thailand operate as both a means of survival and a conduit for long-term wealth growth.

The Thai company structure is characterized as "mixed," comprising big family businesses alongside a substantial number of SMEs, many of which encounter challenges related to productivity, funding, and capabilities. Charoenrat et al. (2013), Charoenrat and Harvie (2014), and Charoenrat and Harvie (2017) demonstrate that Thai manufacturing SMEs hold significant economic importance yet frequently display low technical efficiency and encounter considerable obstacles in rivalry, innovation, and market advancement. This does not diminish the significance of family businesses; instead, it emphasizes that the household or family firm constitutes the fundamental organizational unit, whereas effective scaling relies on the unit's ability to amass capital, enhance capabilities, and strategically adapt over time. Thailand's company structure exhibits a blend of scale and sectoral diversity, however it is characterized by a consistent organizational logic: the family or household serves as the core from which business expansion typically originates.

The structural factors elucidate why successful business units in Thailand frequently exhibit three interconnected attributes. Initially, they typically demonstrate distinct ownership. Concentrated ownership diminishes uncertainty over power and control, enabling owners to internalize risks and returns. The Thai evidence regarding ownership concentration and company value underscores the significance of well-defined control rights, while simultaneously cautioning that these

advantages may be undermined by expropriation risks in the presence of inadequate governance quality (Connelly et al., 2012; Sitthipongpanich & Polsiri, 2015). Secondly, prosperous companies frequently gain from swift decision-making. Due to the concentration of authority, family-controlled enterprises can react more swiftly to disruptions, opportunities, and succession requirements. Third, they are significantly influenced by profit motives. Family enterprises, being privately managed entities, possess direct motivations to safeguard wealth, enhance returns, and guarantee long-term sustainability. These characteristics align with extensive family business research that highlights the strategic implications of ownership concentration, the preservation of socioemotional wealth, and a long-term perspective (Anderson & Reeb, 2003; Berrone et al., 2012; Chrisman et al., 2012; Gedajlovic et al., 2012).

The organizational framework of business units in Thailand indicates a definitive analytical result. The economy encompasses several organizational structures, although the most resilient and prosperous commercial entities are often those established on familial or household roots, supported by concentrated ownership, kinship governance, and long-term capital accumulation. This does not suggest that every family business is efficient or that all collective entities are unsuccessful. It indicates that community economic development programs should be based on the genuine institutional logic of Thai commercial organizations. If Thailand's most prosperous enterprises typically arise from family-oriented units within a market-driven framework, then policies designed to bolster community self-sufficiency should prioritize enhancing the productive capabilities of

individual households and family businesses as scalable micro-level entities, rather than emphasizing collective ownership as a primary objective.

2. Critique of Community Self-Reliance Policies

Thailand's public policies have historically prioritized the enhancement of community self-sufficiency via collective organizational structures, including cooperatives, community enterprises, and the One Tambon One Product (OTOP) initiative. These efforts are based on the normative aim of enhancing grassroots economies, diminishing inequality, and promoting social cohesion. They conceptually correlate with collaborative development approaches that prioritize shared ownership, reciprocal benefit, and participatory governance (Birchall, 2011; Peredo & Chrisman, 2006). Although these policies are well-intentioned and socially beneficial, an increasing amount of data indicates that their efficacy in producing sustainable economic results is constrained by structural, incentive-related, and market-based limitations.

1.1. Structural Constraints

A significant constraint of collective-based organizations resides in their governance framework. Cooperative and community companies generally depend on democratic decision-making processes, which, although inclusive, may result in inefficiencies and delays in strategic decision-making (Hansmann, 1996; Cook & Burrell, 2009). The distribution of power among members frequently leads to coordination issues and hinders organizational responsiveness, especially in competitive market contexts where agility and adaptability are essential (Ortmann & King, 2007).

Furthermore, communal ownership frameworks sometimes generate uncertainty around accountability. The widespread distribution of

ownership and control complicates the obvious assignment of responsibility for organizational performance. This may undermine managerial discipline and diminish the efficacy of internal monitoring systems (Hansmann, 1996). Empirical studies on cooperatives and collective companies have frequently identified governance concerns, such as leadership instability, inadequate rule enforcement, and difficulties in aligning member interests (Bijman et al., 2013).

1.2. Weak Economic Incentives

A second significant problem pertains to the incentive framework inside collective groups. In contrast to privately owned companies, where returns are directly linked to individual investment and performance, communal organizations typically allocate benefits more equitably among members. This fosters equity but may diminish individual willingness to exert effort or engage in innovation (Cook & Iliopoulos, 2000).

This phenomena is intricately linked to the traditional "free-rider problem," wherein people are motivated to exploit communal resources without commensurate contribution (Olson, 1965). Within the realm of community enterprises, this may result in insufficient investment, diminished productivity, and constrained innovative potential. Research indicates that in the absence of robust incentive structures, collective companies face challenges in maintaining long-term competitiveness and growth (Hansmann, 1996; Cook & Burrell, 2009).

The lack of explicit profit-driven incentives may constrain entrepreneurial activity. The research on entrepreneurship underscores that innovation and risk-taking are motivated by anticipated profits (Baumol, 1990; Bruton et al., 2013). When such incentives are weakened,

organizational performance may be jeopardized, especially in contexts necessitating ongoing adaptation and innovation.

1.3. Misalignment with Market Mechanisms

A third significant obstacle is the discord between collective-based models and market-oriented economic systems. In capitalist economies, companies are anticipated to compete based on efficiency, innovation, cost control, and responsiveness to consumer demand (Porter, 1985). Nonetheless, some community-based firms lack the adaptability and resources required to function well under these circumstances.

Empirical research indicates that collaborative enterprises frequently encounter limitations in capital acquisition, technology adoption, and operational scale (Ortmann & King, 2007; Bijman et al., 2013). Furthermore, their governance frameworks may constrain their capacity to swiftly react to market signals, thereby diminishing competitiveness in comparison to privately owned enterprises.

Research on SME development indicates that successful enterprises typically necessitate robust entrepreneurial leadership, strategic decision-making, and efficient resource mobilization—qualities more frequently linked to privately controlled firms than to collective organizations (Carney, 2005; Gedajlovic et al., 2012). Consequently, communal firms may be restricted to small-scale, low-productivity endeavors, thereby constraining their impact on overall economic development.

3. Critical Implication

Collectively, these structural, incentive, and market-related limits indicate that policies fostering community self-reliance via collective organizational structures may not completely correspond with the reality of

a market-oriented economic system. Although these policies are significant for social development and inclusiveness, their ability to foster sustainable economic growth and competitiveness is constrained.

Consequently, the notion of "community self-reliance" may devolve into mere policy rhetoric rather than an economically viable strategy if it fails to sufficiently integrate market principles, entrepreneurial incentives, and organizational efficiency. An enhanced strategy may necessitate reevaluating the equilibrium between communal activity and individual entrepreneurial capability, especially by fortifying household-level business units that function within market-driven frameworks.

Table 1

Comparison of Community Self-Reliance Models and Market-Oriented Firms in Thailand

Dimension	Collective / Community-Based Organizations	Privately Owned / Market-Oriented Firms
Governance	Democratic, participatory	Centralized decision-making;
Structure	decision-making; inclusive but often slow and inefficient	faster, more flexible, and responsive
Accountability	Diffused responsibility; unclear accountability; risk of weak monitoring	Clear ownership; strong accountability and managerial discipline
Decision-Making	Prone to delays and	Quick strategic decisions;
Efficiency	coordination problems among members	adaptable to market changes
Incentive System	Equal or shared benefits; weaker link between effort and reward	Strong profit-driven incentives tied to performance

Dimension	Collective / Community-Based Organizations	Privately Owned / Market-Oriented Firms
Motivation & Productivity	Risk of free-rider problem; lower individual motivation	High motivation due to direct rewards and competition
Innovation & Entrepreneurship	Limited innovation due to weak incentives and risk-taking	Encourages innovation and entrepreneurship through profit motives
Access to Resources	Limited access to capital, technology, and scaling opportunities	Better access to finance, technology, and expansion capabilities
Market Competitiveness	Less responsive to market signals; often less competitive	Highly competitive; driven by efficiency, cost control, and demand
Organizational Scale	Often small-scale and low productivity	Capable of scaling and achieving higher productivity
Social Impact	Promotes equity, inclusion, and community cohesion	Focuses more on efficiency and profit, less on social equity
Economic Sustainability	Constrained by structural and incentive limitations	More sustainable in competitive market environments

4. Policy Recommendations

This paper contends that policy strategies promoting community self-reliance in Thailand should transition from a primary focus on collective organizational structures to enhancing household-level entrepreneurial capabilities. Considering that prosperous business units in Thailand

frequently originate from family-run firms inside market-driven frameworks, policy measures should prioritize empowering households to operate as competitive micro-enterprises. This section suggests a multi-tiered policy framework that includes central, regional, and local governance levels.

4.1. Central-Level Policy

At the national level, policy reforms must prioritize the establishment of a conducive environment for micro-entrepreneurship and the development of small-scale private enterprises. The literature constantly emphasizes the significance of institutional quality, regulatory efficiency, and financial accessibility in promoting entrepreneurial activity (Acs et al., 2014; Djankov et al., 2003).

Firstly, the government should actively foster micro-entrepreneurship by enhancing entrepreneurship education, lowering entrance obstacles, and streamlining business formalization. Micro-entrepreneurship is essential for alleviating poverty and fostering inclusive economic growth, especially in developing nations (Bruton et al., 2013; Welter et al., 2017).

Secondly, regulatory frameworks ought to be simplified to diminish bureaucratic intricacy and compliance expenditures. Overregulation can hinder business establishment and restrict firm expansion, particularly for small and home-based firms (Djankov et al., 2002). Streamlined licensing processes, digitized governmental services, and transparent regulatory frameworks are crucial for enhancing the business climate.

Third, policies ought to improve direct financial access for households, especially via microfinance, credit guarantees, and inclusive financial institutions. Capital access continues to be a significant limitation

for small businesses, and financial inclusion is recognized as a crucial factor in entrepreneurial success (Beck et al., 2007; Demirgüç-Kunt et al., 2018). Targeted financial support systems ought to prioritize productive investment above short-term consumption.

4.2. Regional-Level Policy

Policy interventions at the regional level should concentrate on establishing institutional support mechanisms and market connections that facilitate the scaling and competitive viability of family companies.

A primary strategy is the establishment of Household Business Development Centers that provide training, business consulting, mentoring, and technical assistance tailored to micro-entrepreneurs. Such support institutions strengthen entrepreneurial capabilities by facilitating knowledge transfer, improving access to business networks, and promoting innovation within local entrepreneurial ecosystems (Stam, 2015). In addition, connecting household enterprises with regional value chains and market networks enhances learning opportunities, resource mobilization, and business competitiveness (Gereffi et al., 2005).

Furthermore, regional strategies ought to enhance market networks and value chain integration. Market access is a crucial factor in company success, and companies integrated inside networks generally exhibit superior performance owing to enhanced information exchange and resource availability (Porter, 1998; Gereffi et al., 2005). Regional governments can enhance links between small producers and larger enterprises, while also advocating for digital platforms to broaden market access.

Additionally, cluster-based development techniques can be utilized to improve competitiveness by promoting spatial concentration and

collaboration among interconnected enterprises (Porter, 1998). Unlike conventional cluster policies that prioritize communal production, these methods should focus on enhancing the capabilities of individual enterprises inside networks rather than on collective ownership frameworks.

4.3. Local-Level Policy

At the municipal level, policy ought to specifically address households as the primary unit of economic activity by endorsing the principle of “One Household, One Business.” This methodology acknowledges the household as a micro-enterprise capable of income generation, capital accumulation, and contribution to local economic growth. Local governments ought to focus capacity building in marketing, financial management, and business operations, as these competencies are essential for the sustainability and expansion of small firms (Lussier & Halabi, 2010). Training programs must be pragmatic, contextually relevant, and accessible to many demographics, including women and informal laborers.

Moreover, local authorities can enhance entrepreneurial ecosystems by promoting collaboration among households, local organizations, and private sector entities. Entrepreneurial ecosystems increase creativity, resource mobilization, and firm success by fostering supportive conditions for business development (Stam, 2015).

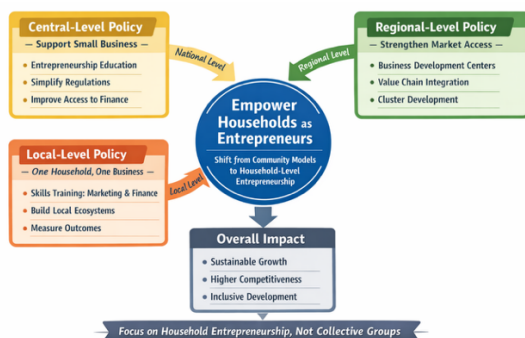
Local strategies must transcend mere symbolic or programmatic interventions and concentrate on quantifiable outcomes, like firm survival rates, income growth, and enhancements in productivity. This necessitates the establishment of monitoring and evaluation systems to measure the actual economic impact of policy actions.

5. Policy Implications

The suggested policy framework prioritizes a transition from collective development models to market-oriented, household-focused entrepreneurship. Although collective organizations may persist in a supplementary capacity for social development, they ought not to serve as the principal engine for economic progress. By enhancing the capability of individual households to function as entrepreneurial entities, policymakers can more effectively synchronize development objectives with the structural realities of Thailand's economic sector. This method is more likely to produce sustainable economic results, improve competitiveness, and foster inclusive growth within a capitalist economic system.

Figure 2

Empower Households as Entrepreneurs



Conclusion

This study has analyzed the organizational framework of business units in Thailand and critically evaluated the efficacy of community self-reliance strategies. The results indicate that the most successful and resilient

business entities in Thailand are mostly founded on household and family companies, functioning within a market-driven capitalist economy. These firms gain advantages from concentrated ownership, well-defined governance structures, robust profit incentives, and the potential for swift decision-making—elements that are well acknowledged in the research as critical determinants of company performance and long-term viability.

Conversely, policies that advocate for community self-reliance via collective organizational structures—such as cooperatives, community enterprises, and OTOP initiatives—are based on concepts of shared ownership and social equality. Although these methods may enhance social inclusion and community cohesiveness, the analysis reveals that they frequently encounter structural inefficiencies, inadequate incentive mechanisms, and restricted adaptability in competitive market contexts. Their ability to produce continuous economic growth and competitiveness is limited.

The disparity between policy formulation and economic actuality underscores a significant concern in development strategy. In a capitalist economy, characterized by market rivalry, innovation, and efficiency, corporate success is more probable when organizational structures connect ownership with control and incentives with performance. Empirical research from Thailand and other emerging markets continuously demonstrates that family-controlled enterprises and micro-enterprises are crucial in stimulating economic activity and resilience.

This paper contends that the dominant narrative of "community self-reliance" may become a policy framework disconnected from economic realities if it fails to sufficiently integrate market mechanisms and

entrepreneurial incentives. Policymakers should reevaluate the significance of the household as a fundamental economic unit, prioritizing its enhancement as a micro-enterprise over collective organizational models.

Redirecting policy focus towards household-level entrepreneurship presents a more feasible and enduring avenue for economic development. This approach is consistent with current studies on entrepreneurship and SME development, highlighting the significance of individual initiative, institutional support, and resource accessibility in promoting inclusive growth. By enabling households to participate in market-oriented economic activities, governments can enhance productivity, foster innovation, and facilitate sustainable wealth generation.

In conclusion, the evidence indicates that successful economic development plans in Thailand should transcend symbolic or ideologically motivated models of community self-reliance and instead embrace a pragmatic approach rooted in the structural reality of the economy. Advocating for household-based business units as the cornerstone of community development not only mirrors empirical success patterns but also establishes a more resilient basis for sustained and inclusive economic growth.

Discussion

The findings reveal that Thailand's business framework features both capitalist firms and collective organizational structures; yet, family businesses prevail as the primary organizational unit driving successful business growth. This study corroborates other research indicating that family ownership offers superior governance, centralized decision-making

power, and a long-term strategic focus compared to dispersed ownership models (Anderson & Reeb, 2003; Chrisman et al., 2012). Similarly, Gedajlovic et al. (2012) contended that the integration of familial engagement, social capital, and sustained commitment bolsters organizational resilience in uncertain institutional contexts. This study expands these viewpoints by proposing that family companies be regarded not merely as business entities but also as essential economic units that can enhance community self-sufficiency within Thailand's market economy.

The analysis indicates that Thailand's community self-reliance policy predominantly focuses on collective organizational structures, such as cooperatives, community enterprises, and OTOP. Although these strategies greatly enhance social inclusion, local engagement, and fair resource allocation, their economic efficacy is frequently hindered by governance intricacies, insufficient accountability, and restricted entrepreneurial motivation. These findings align with Hansmann (1996), who contended that collective ownership often faces governance inefficiencies due to the widespread dispersion of ownership and control. Cook and Burress (2009) similarly illustrated that cooperative organizations encounter governance issues across their organizational life cycle, especially in sustaining incentives and strategic responsiveness. Ortmann and King (2007) additionally indicated that agricultural cooperatives frequently encounter challenges in capital accumulation, managerial adaptability, and responsiveness to competitive markets. Consequently, while collective groups are significant for community development, they should not be considered the exclusive institutional tool for fostering sustainable economic growth.

An additional significant discovery pertains to the function of entrepreneurial incentives. This study contends that business structures with concentrated ownership foster greater incentives for innovation, investment, and long-term competitiveness compared to communal organizations. This interpretation aligns with Baumol (1990), who underscored that profitable entrepreneurship is highly contingent upon suitable incentive systems. Similarly, Bruton et al. (2013) posited that entrepreneurship serves as a potent method for alleviating poverty, as entrepreneurial endeavors foster innovation, employment, and productivity. From this viewpoint, household and family enterprises establish a more immediate link between personal endeavor and financial gain, therefore fostering entrepreneurial activity that enhances local economic development.

The research further illustrates that governance structure is an essential factor connecting corporate structure to organizational performance. Family firms typically consolidate ownership, administration, and accountability under a single organizational entity, thus enabling expedited decision-making and strategic adaptability. This discovery aligns with Williamson's (1985) transaction cost theory, which underscores the significance of governance structures in mitigating organizational inefficiencies. This aligns with La Porta et al. (1999), who discovered that concentrated ownership is a prevalent institutional trait among numerous Asian firms, especially in contexts where formal institutions are rather weak. Thus, the efficacy of Thailand's corporate entities seems contingent not solely on organizational size but also on governance structures that harmonize ownership, managerial accountability, and entrepreneurial motivations.

While the current findings support household-based entrepreneurship as an economically effective organizational form, they should not be construed as a dismissal of collective organizations entirely. Community companies, cooperatives, and other collective entities significantly contribute to enhancing social cohesion, mitigating inequality, and broadening possibilities for marginalized communities. Ebrahim et al. (2014) said that hybrid companies generate social value by reconciling commercial and social goals, whereas Peredo and Chrisman (2006) proposed that community-based enterprises are suitable when collective action is essential to address market shortcomings. Consequently, instead of supplanting collective organizations, policy ought to amalgamate market-driven entrepreneurship with community-oriented institutions to attain both economic competitiveness and social inclusion.

The results possess significant policy ramifications. Current community self-reliance policies in Thailand have often emphasized group production over individual entrepreneurial capacity at the home level. Entrepreneurship research demonstrates that institutional quality, financial inclusion, and the development of business capabilities are critical factors influencing enterprise growth (Acs et al., 2014; Beck et al., 2007; Demirgüç-Kunt et al., 2018). Consequently, policies ought to progressively bolster household and family enterprises via entrepreneurship education, streamlined business regulations, financial accessibility, digital market engagement, and institutional assistance, while preserving the auxiliary social roles of community organizations. This integrated approach would more effectively match Thailand's development strategy with the structural attributes of its business sector.

This study ultimately contributes to theory by synthesizing political economy, family business theory, and entrepreneurship studies into a cohesive conceptual framework for comprehending community self-reliance. The study suggests that homes and family enterprises serve as the primary micro-level entrepreneurial units linking company structure to sustainable local economic growth, rather than merely considering community development through collective organizational structures. However, as this research is based on documentary data and conceptual analysis, its conclusions must be evaluated with caution. Future empirical investigations utilizing firm-level datasets, comparative case studies, or longitudinal analyses would be beneficial for assessing the hypothesized conceptual linkages and their relevance across various institutional contexts.

Recommendations

1. Policy Recommendations

Policymakers ought to implement a balanced development strategy that integrates the social benefits of collective organizations with the economic merits of household and family companies. Policy priorities must encompass enhancing access to finance, entrepreneurship education, business advisory services, digital competencies, and market connections to fortify household-based micro-enterprises, while preserving the supportive function of community organizations in fostering social inclusion.

2. Theoretical Implications

This paper proposes that community self-reliance be reevaluated through the lens of company organization and entrepreneurship. Future

theoretical frameworks must amalgamate political economy, institutional economics, and family business theory to elucidate the impact of ownership, governance, and entrepreneurial incentives on sustainable community development in market-oriented economies.

3. Recommendations for Future Research

Future research should validate the proposed conceptual framework with empirical evidence. Conducting firm-level quantitative studies, comparative analyses of family businesses and community enterprises, and cross-national research in Southeast Asia is recommended to examine the influence of differing institutional frameworks on company success and community self-sufficiency. Qualitative studies investigating entrepreneurial behavior, familial governance, and local institutional dynamics should improve understanding of household-based enterprise development.

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