

## **CHAPTER 1**

### **INTRODUCTION**

This chapter discusses the learning network as a tool to empower small and micro community enterprise group, Lamphun dried longan small and micro community enterprise group: problems and opportunity, research question, objectives of the study, expected output, outcome and impact, definition of terms and thesis structure as follow:

#### **1.1 Learning Network as a tool to empower Small and Micro Community Enterprise Group (SMCE)**

##### **1.1.1 Learning Network: Theoretical background**

Learning network can be defined as an exchange of knowledge, idea, information, experience and acquisition of knowledge between individual, entity and organization from the related source of knowledge in a continuous manner; therefore, creating a connected system in which knowledge is promulgated and applied for a professional or social purpose. Life-time learning should begin with participation of persons in the organization and community to the extent that they could realize the problems and create an environment that facilitates to experience reinforcement, information transfer among them until learning is promoted.

According to the National Education Commission Office (1995), the principles of learning network can be illustrated in four aspects, as follows:

- 1) Learning urges thought, habits of knowledge seeking, conscious in developing the local community and participation in development.
- 2) Knowledge exchange is the distribution of knowledge gained from both international instructors and local wisdom to build up the body of knowledge.
- 3) It produces between interdepartmental information exchange both in governmental and private sections.
- 4) It produces resource mobilization and co-implementation for development and reduction of wasting as much as it could.

Therefore, learning network of agricultural community means an exchange or interdependence process of agriculturists or groups of agriculturists by having regulations, systematic manner or management that is from concurring opinion of the cooperated organizations. Generally, learning network of community-based organization is consisted of 3 basic components that cause learning and knowledge exchange or interdependence such as resources, management and knowledge (Kagpinit, 2001).

It can be stated that, the key of learning network formation and development of community-based organizations lies at the resource co-management which is mainly based on their knowledge and experience. Such management needs an individual or organization working together and supporting each other in order to develop learning network of community-based organization. This process emphasizes on sharing of resources, management and homogeneous knowledge. It is not likely to emphasize on staging or arranging a meeting once or twice a year according to the demand of the capital' source or outside individual or organization. So, in creating the learning network in community, people must gather together in proceeding any activity no matter what form it is, for example occupational promotion group, agricultural housewife group, female Agricultural group, youth agricultural group and other groups protected by law like agricultural cooperatives, agriculturist's group and small and micro community enterprise.

### **1.1.2 SMCE group: A Tool for Community Economy Development**

The underlying concept of the Small and Micro Community Enterprise (SMCE) to make profit for family, community and between communities to promote self-reliance. The SMCE group is normally composed of at least 7 persons who shall submit the application of registration to the responsible Department of Agriculture in compliance with the Small and Micro Community Enterprise Promotion Act, B.E. 2005. The small and micro community enterprise has been designed to take action in solving the community problems such as production, marketing, indebtedness, insufficient income, over use of natural resources and much reliance on outside factor. The small and micro community enterprise focuses on activities that are derived from the use of community resources and fundamental production that is able to

sufficiently respond to the community's need. The enterprise also aims to reduce expenditure, increase income and decrease the debts. There is a participating model scheme and plan of the small and micro community enterprise or business plan of the small and micro community enterprise that is concordant with the community plan (Department of Agricultural Extension, 2005).

The Department of Agricultural Extension has launched a policy on promoting assigning all Provincial Agricultural Office to facilitate the development of agricultural organizations and development programs, concerned activities and learning resource development of agricultural organization and network by selecting the potential agricultural organization or community enterprise which has an outstanding performance regarding household management, agricultural product processing and budget management including living condition improvement. (Department of Agricultural Extension, 2008). The objectives of this policy were to pass on knowledge and technology as well as demonstration of practice for skills enhancement, proficiency in group and budget management, household management for living condition improvement, agricultural product processing, product development and local wisdom. Its members would have an opportunity to exchange knowledge and cooperate with other organization in kind, and grouping separated united together in kind of network. However, the summary of operation of the small and micro community enterprise groups in Lamphun Province (2009), in accordance with the preceding operation, it was found that networked groups in district and provincial levels that are established did not follow the procedures under participation and voluntariness. There were some weakness such as 1) the formation of the network was the situation analysis, 2) none of connection among the production, marketing and parties who share the same interest was well promoted, 3) objectives and operational plan of the network were not precise. In addition, management structure of the network was incapable of implementing the laid plan and activities.

### **1.1.3 Dried Longan SMCE group in Lamphun Context**

For Lamphun province, since 14 August 2005 on which the announcement of Community Enterprise Promotion Board was deemed effective until 31 December 2008: there were community enterprises in 51 sub-districts, 8 districts: registered 924

groups among which 6 groups was registered as the network of small and micro community enterprise groups. There were 88 groups of golden Dried Longan Small and Micro Community Enterprises (DLSMCE) spread in every district. In 2006, there were 15 dried longan SMCE community enterprises joining the Longan Product Management Project aimed to process golden dried longan. This project provided the circulating fund 4,500,000 Baht in total supported by the Agriculturist Fund Commission, 300,000 Bath for each SMCE, In 2007, there were 31 groups of community enterprises joining Longan Product Management Project with the supporting funds of 9,300,000 Baht from Agriculturist Fund Commission. It was reported that 67 dried longan groups could processed 2,345 tons golden dried longan per day. (Lamphun Provincial Agricultural Extension Office, 2007).

## **1.2 Lamphun DLSMCE: Problems and Opportunity**

The DLSMCE in Lamphun province encountered various problems. According to the discussion among stakeholders on July 28, 2007, it was noted that those problems with in the groups are as follows:

- 1) Loose incorporation of Golden Dired Longan Community Enterprises; lacking in the atmosphere divided by management group.
- 2) Some manufacturers of golden dried longan who rent a cool storage to hold the price and maintain longan's color have to pay 1 Baht per kg. of longan per day.
- 3) Processing of golden dried longan is still in limited field; the processing is done in accordance with local trend which was traditionally perceived. They lack of learning process or experience exchange in order to make a final and proper solution to the experiments that is actually put on field according to different geography of each community. Some groups can qualify for GMP (Good Manufacturing Practice) while some groups still trial and error.

There were also problems that cannot manage solely be each the dried longan SMCE groups, as follow:

- 1) Agriculturist lacks of knowledge, skill, specific technical skills and procedures of doing golden dried longan to reach the required quality and accepted standard of the general market like color preservation technique of golden dried

longan; now they still use potassium metabisulfite mixed with water to keep the longan's fruit that is cored to preserve it like more than 6 months.

2) With the various types of longan dryers such as tunnel dryer, hot air dryer and continuous hot air dryer, each type need specific knowledge, skill and right management to deal with. They are also in need of the new technology that requires research and development of potential and lower-budget dryer.

3) High manufacturing costs is still unsolvable problem within the organization, especially the wage, oil, gasoline, firewood, longan preservation cost in the cold storage and packaging. From the group discussion, the participants has evaluated that the manufacturing cost of golden dried longan is pretty high including the agriculturists do not conduct an income and expense account. As a result of this, they do not know the exact capital. And price determination is not corresponding with the manufacturing capital price.

4) Market of golden dried longan is not widespread enough and more likely to be monopolized by the local market. To illustrate, the minor manufacturers deliver the product to a local merchant or via a middleman where they get a cheap price; the price is then suppressed and they cut the price competing each other.

5) Governmental sections did not take this problem seriously and delay in giving support which is not delivered in time before the harvest ends like supporting circulating funds to community enterprises which do processing golden dried longan. Giving out low-interest loan in the recent 2006 and 2007, it found that the process was too complicated and involved with too much documentation so the agriculturists received the supporting funds at the end of August which was the time that the longan's fruits were near to zero.

6) Lack of longan's processing technology development and research, and various product and manufacturing quality developments

According to the Lamphun Provincial Agricultural Extension Office (2009) even though government already has launched a policy that is Longan Management Project which supports community enterprises which process golden dried longan with low-interest circulating funds 1% a year, there were only 15 community enterprises producing golden dried longan which could be considered as the Best



Practice groups. As for another 88 DLSMCE operational problems could not be well managed.

In subject to the principle of community enterprise that emphasizes on community-based operations which involve fund management in creative way for self-dependence, the community enterprise must conduct a systematic plan that connects each economic activity by using local resources, knowledge and wisdom the community owns. The concept of an inside-out operation that the communities try to rely on themselves before reaching out to the outside market must be promoted. The situation in which each community is able to exchange the information, knowledge and help each other in the network-like pattern needs cooperation between individuals or organizations which share similar economic activities, and make interrelation among them to magnify the outcome to the network in order to create strength in solving problem and exchange via the process every party participates. This principle aims to accomplish the common objectives or goals and in the same way create a learning network.

The reason why the learning network is needed should come from the situation of problems within the environment that the problems are repeatedly happened in different features and extended beyond the ability to cope with. On the other hand, it is an opportunity to improve the potential of each group within the network, and to integrate advantages equally. Therefore, learning network is an important tool in knowledge management that shall systematically spread information and experience which is applied to create more potential for the groups concerned.

### **1.3 Research Question**

As discussed earlier, even though, there were both good practice (15) and poor DLSMCE (88) groups in Lamphun province, yet there was no systematic learning process among these DLSMCE groups. Thus, this research raises questions of what learning network development process to increase the potential of dried longan community enterprise groups in Lamphun province should be, and how to develop the learning network between the golden dried longan small and micro community enterprise groups. I also interested in how to promote the establishment of learning network between the groups with good operation and the struggling groups to create

potenti and strength in problem solving and exchange things via interrelated learning, group participation and process. Futher more, more research questions were that what are the factors contribute to the success of the network development and what are the outcomes and impacts of this research.

#### **1.4 Objectives of the Study**

This research is for objectives as follow:

1. To study how to learning network development process to increase the potential of dried longan community enterprise groups in Lamphun province via participation of the group members.
2. To analyse the outcomes and impacts of the DLSMCE learning network in term of the potential of dried longan community enterprise groups in Lamphun province.
3. To analyse the factors contribute to the success of the learning network development process that increases the potential of the dried longan community enterprise groups.

#### **1.5 Expected Output, Outcome and Impact**

The expected of this research have three items as follow:

##### 1) Output

- 1.1 Body of knowledge regarding learning network development process to increase the potential of dried longan community enterprise groups is created.
- 1.2 The established learning network among dried longan community enterprise groups in Lamphun province developed the community enterprise network meets and exchange knowledge and a learning network.
- 1.3 The capacity of leaders and members of the board of community enterprise network.

##### 2) Outcome

- 2.1 Network of golden dried longan small and micro community enterprise groups, which is Cooperation with and support from associated organizations and partnerships.

2.2 Leaders and members of golden dried longan small and micro community enterprise network, who have improvement of product quality and production houses during the research.

2.3 Leaders and members of golden dried longan small and micro community enterprise network, they could implementation of the strategic plan of the DLSMCE network.

### 3) Impact

3.1 Community enterprises and its network are given research and development supported by local universities.

3.2 The DLSMCE network was encouragement and support by the state local governments.

3.3 The DLSMCE network can collaboration with development the Lamphun Golden longan Cooperative Limited.

3.4 The DLSMCE network can becoming a learning center on DLSMCE groups and learning network.

## 1.6 Definition of Terms

**Learning network** means associated groups which may be groups of individual, organizations, community or institutes which relates to one another equally and independently, maintaining connection in carrying out activities and exchanging knowledge in kind of interdependence with the mechanism to accomplish the same objectives and goals, finally, creating learning society.

**Learning network development process** means steps of research procedure exchange among members of golden dried Longan small and micro community enterprise groups until it creates a learning network to increase potential of the members of the golden dried Longan small and micro community enterprise groups in Lamphun province by using participatory action research (PAR).

**Increasing potential of community enterprise groups** means the community enterprise groups and networked community enterprises change the operation procedures of the group and network to achieve higher quality and standard of operation in the following aspects: analysis, problem solving, participatory operation, self-development, creating proficiency and occupational skills, and know-how about



activities of the community enterprise and network, so as to result in potential, quality and better service.

**Golden dried longan small and micro community enterprise groups** means the community enterprise which is registered under Community Enterprise Promotion Act, B.E. 2005, and carries out the business of processing golden dried Longan in Lamphun Province. In this research, there are 37 groups. There were 383 dried longan ovens and 301 networked members. This can be separated into sub-districts as follows:

- 1). Ma Kue Jae containing 30 groups, 341 dried longan ovens and 241 members
- 2). U-mong containing 4 groups, 32 dried longan ovens and 38 members
- 3). Mueang Nga containing 1 group, 2 dried longan ovens and 7 members
- 4). Pratu Pa containing 1 group, 6 dried longan ovens and 8 members
- 5). Nong Narm containing 1 group, 2 dried longan ovens and 7 members

**Outcomes of Learning Network Development Process to Increase the Potential of DLSMCE** means what happens after the end of research and influence network and members, leader and members have knowledge and skills in group development and management, and who can serve as community researchers is promoted such as cooperation from associated organization and support from every party concerned.

**Impacts of Learning Network Development Process to Increase the Potential of DLSMCE** means effects occur during and after the research, effect the network members able to serve as a learning source in community enterprise network development, and serving as learning resource include a magnification of impact gained from the concept of being community enterprise, community enterprise network and learning network to villages, sub-districts and districts nearby

## 1.7 Thesis Structure

The thesis is divided into 8 chapters. Chapter 1 begins with an introduction of learning network as a tool to empower small and micro community enterprise group and Lamphun dried longan SMCE: problems and opportunity. Chapter 2 looks at existing body of knowledge related to learning network and building of the learning

network, concept of participation and participatory action research (PAR), SMCE and SMCE development Act, 2005 and related research project and findings. Chapter 3 discusses participatory action research as a specific methodology for increasing the potential of DLSMCE. Chapter 4 explores the situation of DLSMCE in Lamphun province, problems and opportunity. Chapter 5 discusses the process to develop the learning network of DLSMCE groups. Chapter 6 explores the development and improvement: output, outcome and impact of the learning network development process of DLSMCE groups. Chapter 7 discusses the factors contribute to the success of the learning network development process. The last, Chapter 8 conclusion, discussion and suggestion.