

# Promoting Community Capital to Driving the Grassroots Economy Sustainability with BCG Model of Loei, Thailand

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**Abstract:** The emergence of the new COVID-19 disease is causing health and economic problems in both urban and rural areas. The objective of this research was to analyze the situation of community capital and to find ways to use community capital to drive the grassroots economy towards sustainability according to the BCG model. The research area is Ban Nong Bua, Phu Ho Sub-district, Phu Luang District, Loei Province, and North-eastern, Thailand. This research implemented using qualitative research methodology. The sample groups were community leaders, local philosophers. Representatives and government and private agencies that support a total of 30 people and include by purposive sampling. Collection data by participatory meeting focus group discussions and in-depth interview. The research results that there are four types of community capital used in grassroots economic activities as follows: 1) Human capital is the wisdom of weaving cotton into products. 2) Social capital is group forming and local identity activities. 3) Economic capital is agriculture, community fund and community tourism. 4) Natural capital is the fertility of soil, water, forests, mountains and physical environment. Community capital promotion approach to driving the grassroots economy sustainability with the BCG model including: 1) Apply the concept of sustainable development fairness and participation after the COVID-19 crisis. 2) The goal is to raise income by using the 4-community capital from households to groups and communities for a stable economy and sustainable self-reliance. 3) Use the integrated community capital capacity enhancement process to create a variety unique form of products selling to the people outside community through nature and culture practice management, green community tourism and network marketing management at study site. 4) Operations to raise the economy with the BCG model. Develop Bio economy by producing environmentally friendly raw materials for sale such as restoring the cotton variety plants for dyeing cotton, native rice and organic vegetables. Develop Circular economy by transforming cotton, food, culture and nature into varieties products. Develop Green economy by expanding community capital to outsiders through environmental activities, wisdom, traditions, innovation, tourism and marketing through community management.

**Keywords:** Community capital, Grassroots economy, BCG Model

## 1. Introduction

The grassroots economy is the economy of local communities that can be self-sufficient. It is a parallel economy under the philosophy of mutual aid, morality and a prosperous economy that contributes to sustainable economic, social and environmental development (Community Organization Development Institute, 2016). Use the potential of people in the community is used and aimed at raising the standard of living for people in the community thoroughly and fairly, making it possible to drive the development of the country in the whole system by using industrial promotion Tourism and the promotion of processed agriculture in the community (Kanchana Philosophical Readings XIII.4 (2022), pp. 422-429. 422

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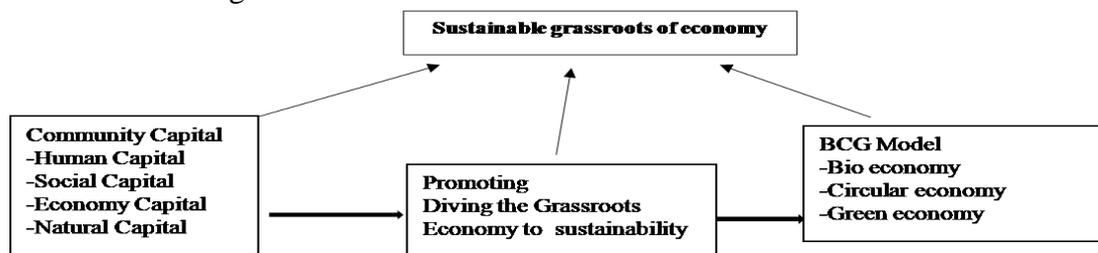
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Rodkaew et al., 2020). Therefore, community capital must be used as a base for development. Natural capital, wisdom, culture and tradition, infrastructure and money, but the promotion of the basis community's economy still lacks continuity (Department of Community Development, 2010). When the COVID-19 crisis. Many people have health problems, unemployment, lack of income and food. Workers from urban communities therefore move back to their former settlements (Suwaree Sriponaet al, 2020). Therefore, it is necessary to seek ways to develop the basic economy for people in the community to be more self-reliant. By choosing to study the model community that uses community capital to continuously develop the grassroots economy and find a way to drive the economy of the community to be strong, to provide an alternative and a way to survive for people in the community (Suwaree Sriponaet al, 2021).

Following the COVID-19 crisis, the use of the BCG model as a tool to drive the economy and this research aimed how to promote the use of community capital to drive the grassroots economy towards sustainability according to the BCG model. Therefore, the Ban Nong Bua community in Loi was selected as the research area. This community has a lot of capital, such as wisdom of weaving, unique tradition of Phaya Chang and Nang Phom Hom festival, tourist spots to see the beautiful scenery of Phu Hor, forest, career in agriculture and group established in the community. But people have problems with debt and the price of produce has dropped more after the COVID-19 crisis (Yonma Chamontri, 2020). This research aims to find a new approach to analyze the situation of community capital and to find ways to use community capital to drive the grassroots economy towards sustainability according to the BCG model.

## 2. Research conceptual framework

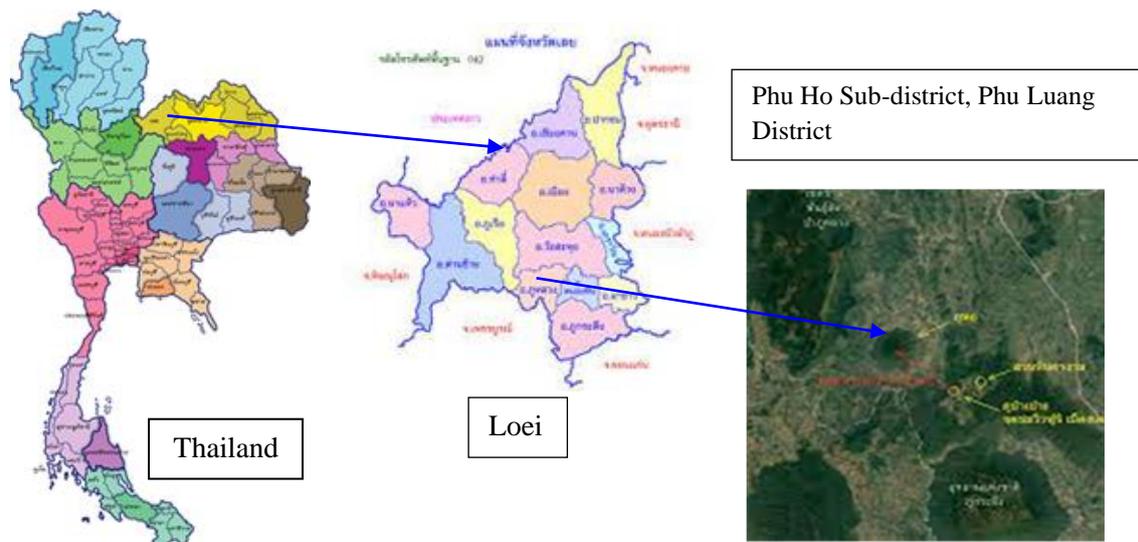
From the literature review and related research result to summarize the research conceptual framework as follows in Figure 1:



**Figure1.** Research conceptual framework for promoting community capital to driving grassroots economy sustainability with the BCG model.

## 3. Methodology

Studied site is Ban Nong Bua, Phu Ho Sub-district, Phu Luang District, Loei Province, located in the North-eastern part of Thailand. (Figure 2)



**Figure 2.** Map showing the location of Ban Nong Bua, Phu Ho Sub-district, Phu Luang District, Loei, Thailand

This research uses a qualitative research method. Target groups are community leaders, local philosophers, and villagers in Ban Nong Bua, leaders of government and private agencies in Phu Ho Sub-district, Phu Luang District, Loei Province total 30 persons were selected by purposive sampling. Collection data by question points of participatory meeting, focus group discussions and in-depth interview. The data were analyzed by content analysis.

#### 4. Results and Discussion

The results of the research revealed that there are four types of community capital used in grass root economic activities as follows: 1) Human capital is the wisdom in using community resources to create diverse careers on eco centric ethical basis, such as preserving local plant species and sustainable use to the weaving cotton into products. 2) Social capital is group forming and local identity activities on the basis of kinship, religion, culture, local traditions that holistic and identity.3) Economic capital is agriculture, folk technology, community fund and community tourism management ecological and cultural. 4) Natural capital is the fertility of soil, water, forests, diversity of local flora, beautiful Phu Ho Mountain and landscapes, community location and physical environment (Figure3).

The results of this study are consistent with the community capital that Busaba Thongupakarn et al. (2018) concluded that the important capital in the community were knowledge and wisdom capital, cultural capital, natural capital and environment, and Kanyarat Chansawang and Supawadee Brahmaputra (2019) said that high quality human capital refers to the skills, knowledge, abilities and experiences of an individual and use together into the high potential of society that can be used as a driving force to transform the economy to success. In addition, in accordance with the research results of Maneewan Chatuthai et al. (2021) found that human capital must be coupled with natural resource capital. Technology and innovation capital for use in production systems for quality consumer products and generate more community income. As same as Maitree Intria (2018) found

that social capital used to produce products to meet important community needs it is the relationship of friendship and cooperation among people in the community. The resulting benefits are therefore shared through good friendship between individuals and between groups. Social capitals are therefore a public property that is used more and more. As a result, the community has the power to drive the economy successfully and be happy.



**Figure 3.** Human capital, social capital, economic capital and natural capital in Ban Nong Bua, Loei, Thailand.

Community capital in all aspects help to promote living on the basis of a community economy that can lead to self-sufficiency. But 70% of the people in community are still in debt and the communities were depressed. Developing to use community capital effectively, it is ready to do activities to raise the economy of people in the community of all groups and ages to be sustainable. Therefore, they have jointly summarized the following guidelines of promoting community capital to driving the grassroots economy towards sustainability with the BCG model including:

1) The concept should be sustainable development to raise the economy fairly by driving both dimensions of social, economy and environment in balance especially after the COVID-19 crisis providing support from households to groups and communities. The findings are the same as a study by Hathaichanok Kotsomboon (2021) found that the promotion and development of basic economic mechanisms at the community level. There must be a structure to distribute income back to the community, create economic growth and turnover through the integration of people in community, and similar to the research by Kessuda Phokanit et al. (2021) found that local community economies can be self-reliant under the sufficiency economy philosophy. Must be virtuous and help each other by developing in the community in terms of economy, society, people, culture, and environment, natural resources in strong and sustainable by using group to drive the community economy with community capital and community identity.

2) The goal should be to cooperate and integrate the community capital in 4 areas, both people in the community and outsiders, both public and private. Increase the potential of entrepreneurs builds community enterprises, community shops, and community financial institutions, reduce debt, self-sufficiency and self-reliance. As same as the study by Aldo Alvarez-Risco et al. (2021) found that the circular economy can contribute to the eco-efficient use of resources. Firms can obtain relevant benefits if they implement a circular economy. In Peru, the circular economy would create benefits, but it is not fully clear what factors explain the acceptance of firms.

3) There was a comprehensive economic driving process in the community to create new products by using innovation and product value-adding mechanisms, funding networking and manage the community product market through tourism management and online marketplace. Use the mechanism to drive the basic economy by established groups, networking of cooperation between communities and government organizations, private sector and other communities. Develop plans and projects for various agencies to support sustainable economic development. As same as Yuan Chang et al. (2021) which confirms the importance of cooperation that manufacturers are adding service offerings to satisfy customers' needs in various markets. Effective strategies for servitization can improve the competitiveness of manufacturers during cooperation. The Belt and Road Initiative (BRI) established by China offers opportunities for economic cooperation and regional integration. Similar to the National Institute of Development Administration (2017) concluded that basic economic promotion at the community level, begins with the creation of occupations to supplement household income of production and trade, create unity entrepreneurs trade in one place and develop people in the community to producing and selling.

4) How to drive the economy by using the BCG model by allowing people in the community to activities learning and doing together and continuously to increase. The Bio economy should be reserving variety plants for dyeing cotton, native rice, organic vegetables, and herbs to prevent covid-19 and use for food ingredients and products for sale to tourists and networking community markets. The Circular economy should be processing cotton and vegetables to variety of unique products, based on wisdom and innovation to foods, shirts, scarves, hats, bags, tissue boxes, placemats, table cloths, herbal medicine sets, masks to prevent covid-19 and straw castle tourist spot. The people have increased their ability to process new products to added value and products price increase to be able to sell and increase revenue. The Green economy should be increasing revenue from community tourism management in the areas of ecotourism, agriculture and culture, providing travel routes, community markets, online markets and community green business networks. The people in the community will have income from selling environmentally friendly products, handmade souvenirs, training on local wisdom for outsiders, touring the nature and culture of Phaya Chang and Nang Pom Hom and organize home stays for tourists. The findings are the same as a study by Anetta Barska and Julia Wojciechowska-Solis (2020) found that the constant development of consumer awareness regarding sustainable development has spread to food markets. Decisions related to food consumption are increasingly becoming, for consumers, an opportunity to demonstrate a specific value system, contesting mass and globally distributed food. Local products began to appreciate, and as same as a study by Orleans Mfune et al. (2016) found that the link between the green economy and multifunctional agriculture. In particular, the paper uses the case of the Community Markets for Conservation (COMACO) initiative, an agro-based enterprise promoting a multifunctional agriculture model in Eastern Zambia (Table 1).

**Table 1.** Activities should be performing of BCG model for driving the grassroots economy towards sustainability.

<b><i>BCG model for driving the grassroots economy towards sustainability</i></b>	<b><i>Bio economy</i></b>	<b><i>Circular economy</i></b>	<b><i>Green economy</i></b>
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<p><b>Activities should be performing.</b></p>	<p><b>1. Reserving variety plants.</b></p> <ul style="list-style-type: none"> <li>- Dyeing cotton.</li> <li>- Native rice.</li> <li>- Organic vegetables.</li> <li>- Herbs to prevent covid-19.</li> </ul> <p><b>2. To use.</b></p> <ul style="list-style-type: none"> <li>- Food ingredients</li> <li>- Products for sale.</li> </ul>	<p><b>Processing to variety of unique products.</b></p> <p><b>1. Cotton.</b></p> <ul style="list-style-type: none"> <li>- Shirts.</li> <li>- Scarves.</li> <li>- Hats.</li> <li>- Bags.</li> <li>- Tissue boxes.</li> <li>- Placemats.</li> <li>- Table cloths.</li> <li>- Masks to prevent covid-19</li> </ul> <p><b>2. Vegetables.</b></p> <ul style="list-style-type: none"> <li>- Foods.</li> <li>- Herbal medicine sets.</li> </ul> <p><b>3. Waste material</b></p> <ul style="list-style-type: none"> <li>- Straw castle tourist spot.</li> </ul>	<p><b>1. Increasing revenue from community tourism management.</b></p> <ul style="list-style-type: none"> <li>- Ecotourism.</li> <li>- Agriculture tourism.</li> <li>- Cultural tourism.</li> <li>- Providing travel routes.</li> </ul> <p><b>2. Environmentally friendly products and services.</b></p> <ul style="list-style-type: none"> <li>- Handmade souvenirs.</li> <li>- Training on local wisdom for outsiders.</li> <li>- Touring the nature and Phu Ho.</li> <li>- Touring the culture of Phaya Chang and Nang Pom Hom.</li> <li>- Organize home stays for tourists.</li> </ul>
<p><b>Consumers and distribution sources.</b></p>	<ul style="list-style-type: none"> <li>- Consumers inside and outside the community.</li> <li>- Tourists and learning groups from outside the community</li> <li>- Community market.</li> <li>- Networking community markets.</li> <li>- Online market.</li> <li>- Community green business networks.</li> </ul>		

## 5. Conclusion

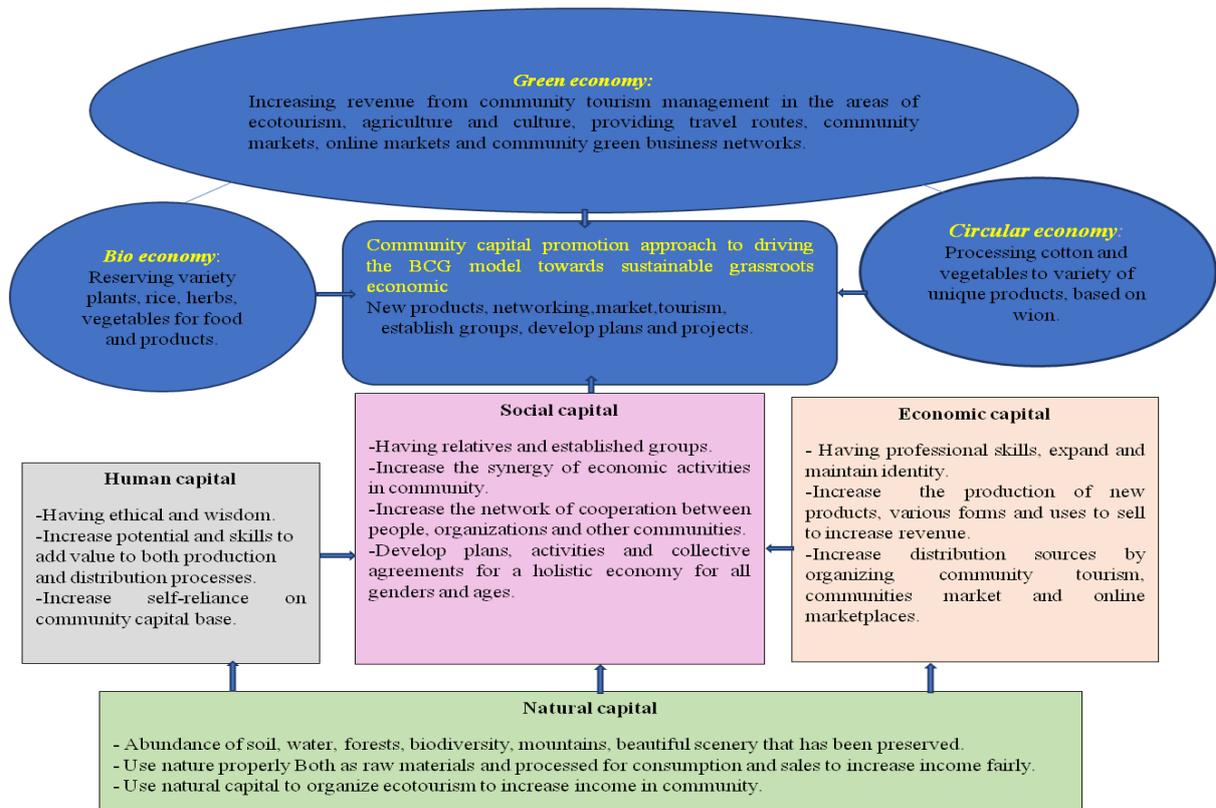
Driving a grassroots economy towards sustainability with the BCG model will require community capital including human capital, social capital, economic and natural capital using together as a whole. Using natural capital as the basis, use human capital and economic capital as a component and use social capital as a driving mechanism. When the global society has a crisis of COVID-19 causing problems in community economy, people are poor, the way to upgrade community economy is to use sustainable development principles. To increase income and restore society and the environment for the community to be self-reliant with happiness and support providing knowledge and green products to people outside the community who come to learning and tourism in the community. The community must add new knowledge and innovations to expand local wisdom to create new products for sale, increase income and create economic stability. Use groups, networks, and development plans to organize economic activities. Create Bio economy with income from using natural capital in the form of raw materials. Create Circular economy with revenue from processing products to add value. Create Green economy with income from learning

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and managing integrated ecotourism, agricultural tourism and cultural tourism in the community. If the grassroots economic development in most communities is successful would result of national economy to strong and stability. Therefore, should be actions research to develop the grassroots economy with the BCG model and should research indicators of success of community economic development with the BCG model to bring knowledge to expand for further development of the country. (Figure 4)



**Figure 4.**Community capital promotion approach to driving the BCG model towards sustainable grassroots economic upgrading to self-reliance.

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**Conflict of interest**

No Conflict of interest

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