

Community Enterprises and Community Businesses: A Structural Analysis of Grassroots Economic Development

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Abstract

More and more individuals think that grassroots economic development is a smart method to alleviate inequality, make communities stronger, and support economic growth that benefits everyone. Government regulations in Thailand and many other developing nations have heavily supported community companies to help people in rural areas make a living and make things locally. But many of these groups have issues with their structure, like relying on institutions, having trouble with governance, and not being very competitive in the market. Consequently, the concept of community enterprises has emerged as an innovative model that integrates community ownership with entrepreneurial autonomy and market-driven methodologies. This research rigorously analyzes the structural characteristics of community enterprises and community businesses, evaluating their potential for enduring grassroots economic development. The study utilizes a qualitative documentary research methodology, analyzing policy documents, academic literature, legal frameworks, and development reports. The analysis utilizes thematic analysis, critical discourse analysis, and comparative structural analysis, guided by Critical Political Economy, Institutional, Social Enterprise, and Community-Based Development theories. The findings indicate that the two models have very divergent architectures. Community enterprises are usually part of state-supported institutional frameworks that are run by the community and have goals that are focused on welfare. These frameworks encourage people to get involved in their communities, but they may also make it harder for businesses to be flexible in their strategies. Community businesses, on the other hand, focus on being competitive in the market, producing money, and being led by entrepreneurs. This makes them more adaptable and able to recover. The research delineates a complete conceptual framework demonstrating that sustainable grassroots economic systems require the strategic integration of social objectives, market competitiveness, and entrepreneurial leadership.

Keywords: Grassroots Economic Development; Community Enterprises; Community Businesses; Institutional Structure; Economic Sustainability

Introduction

Many individuals think that grassroots economic development is a good method to lessen inequality, make communities stronger, and support more fair growth in developing countries. In several nations, community-based economic associations have been formed to aid local businesses, create jobs, and put local resources to work for development. In Thailand, community companies have been officially recognized by laws and government-supported programs that aim to improve life in rural areas and reduce the economic imbalance between cities and rural areas. While these initiatives have promoted social participation and local mobilization, there is an increasing academic focus on their long-term economic viability, structural sustainability, and capacity to compete in market-driven environments.

Recent empirical studies documented in Scopus have uncovered persistent management and structural deficiencies among community companies and their corresponding organizational structures. Cavite et al. (2023) assert that the enduring progress of community enterprises requires strategic acumen, flexible governance, and adept network management, rather than solely depending on legislative incentives. Jarusen and Cheunkamon (2024) assert that the creation of management strategies and the evaluation of performance are significantly deficient, complicating competitive dynamics in volatile marketplaces. Evidence from Thai community enterprises demonstrates that entrepreneurial and innovative capabilities significantly influence sustainable organizational performance, suggesting that long-term competitiveness depends more on the enhancement of internal capabilities than on external policy support (Somwethee et al., 2023). Related research indicates that intellectual capital, shared value creation, and organizational agility improve social entrepreneurial capabilities and sustainability outcomes in Thai community enterprises (Somwethee et al., 2025). These studies collectively suggest that institutional support may facilitate initial development; nevertheless, it does not inevitably produce entrepreneurial resilience or sustained performance.

In addition to managerial issues, issues with information competency and technical readiness are still major issues. Raungpaka et al. (2017) illustrate that insufficient information orientation and poor data management among community-based producers obstruct strategic decision-making and value chain integration. Recent evidence indicates that the integration of technology in community-enterprise environments is affected by perceived privacy and time risks, technology anxiety, and perceived information quality, all of which may impede ongoing digital engagement despite the availability of tools (Kwangsawad & Jattamart, 2022). Wongkumchai and Kiattisin (2021) propose analytical frameworks that align with Thailand's Sufficiency Economy Philosophy (SEP) and the Sustainable Development Goals (SDGs) at the policy level. They emphasize that local economic sustainability requires a holistic and quantifiable evaluation, rather than merely an increase in programs. These findings suggest that the constraints affecting community enterprises are not merely organizational but also institutional and structural.

Evidence from Thailand's OTOP (One Tambon One Product) enterprises illustrates the tension between welfare-oriented, state-supported development frameworks and the exigencies of competitive markets. Research on export performance indicates that perceived quality, trust, pricing strategy, and customer satisfaction are significant determinants of success in market environments (Sitabutr, 2017). Leadership studies in the OTOP context reveal culturally entrenched leadership styles, such as Buddhist-influenced ethical leadership, which may foster organizational stability while simultaneously hindering strategic change (Kemavuthanon & Duberley, 2009). Studies on the application of the sufficiency economy in Thai agricultural community enterprises demonstrate that sustainability-focused management depends on efficient systems of planning, financial supervision, quality control, market development, and ethical governance, rather than merely on normative principles (Mettathamrong et al., 2023).

Recent scholarly investigations have progressively underscored leadership and sustainability competency as vital determinants of long-term effectiveness. Khiawnoi et al. (2025) assert that community enterprise entrepreneurs play a crucial role in harmonizing economic, social, and environmental objectives; yet, institutional rigidity and limited strategic autonomy often impede their ability to effectuate change. Research indexed in Scopus from Thailand demonstrates that sustainable leadership techniques are favorably correlated with resilience and performance in SMEs and community-oriented social businesses (Suriyankietkaew & Avery, 2016; Suriyankietkaew et al., 2022). Moreover, recent sustainability research has begun to tailor ESG-related indicators to the context of Thai community enterprises, demonstrating that sustainability performance is increasingly assessed through locally relevant behavioral metrics rather than exclusively through corporate reporting frameworks (Singhasene & Na-Nan, 2025). These studies jointly highlight the importance of political economy and institutional frameworks, demonstrating that state-market connections, governance structures, and regulatory frameworks significantly influence organizational adaptation and performance.

In this setting, the concept of community enterprises has emerged as an alternative perspective emphasizing entrepreneurial autonomy, market focus, and competitive strategy. Community businesses, on the other hand, want to make money, come up with new ideas, and be in business for a long time while still being owned by the community or helping the community. Traditional community firms, nevertheless, are typically integrated into support networks reliant on governmental policy. Although governmental and academic discussions have begun to acknowledge the distinction between community enterprises and community businesses, there is insufficient critical and comparative research regarding their institutional foundations, governance frameworks, and economic viewpoints.

This study addresses this deficiency by meticulously examining the structural characteristics of community enterprises and community corporations, while evaluating their impact on the sustainability of grassroots economies. Employing Critical Political Economy Theory, Institutional Theory, Social Enterprise Theory, and Community-Based Development Theory, the study uses qualitative documentary analysis to investigate the structural determinants affecting the long-term viability of community-based economic models. This research contextualizes Thailand's community-based economic organizations within extensive discourses on state intervention, market reliance, and entrepreneurial independence, enhancing ongoing debates about the reformation of grassroots economic systems to bolster competitiveness and sustainability.

Research Objectives

1. To critically analyze the structural foundations of community enterprises and community businesses.
2. To examine the limitations and strengths of both models in promoting grassroots economic sustainability.
3. To evaluate whether community businesses provide a more viable alternative for long-term local economic development.
4. To propose a conceptual framework for strengthening grassroots economic systems.

Literature Review

This research is based on four interconnected theoretical frameworks—Critical Political Economy Theory, Institutional Theory, Social Enterprise Theory, and Community-Based Development Theory—to develop a multi-tiered analytical framework for analyzing grassroots

economic models. This framework, based on empirical and conceptual research indexed in Scopus, contextualizes community enterprises and community companies within wider discussions on state-market relations, institutional limitations, hybrid organizational logics, and participatory growth.

1. Critical Political Economy Theory: State–Market Dynamics and Structural Dependency

Critical Political Economy Theory offers a macro-structural perspective for examining how power dynamics and governmental intervention influence grassroots economic organization. Community enterprises in Thailand are deeply integrated into state-led development programs, benefiting from legal registration, financial assistance, and policy incentives. Although institutionalization bolsters legitimacy, studies indicate it may concurrently generate structural reliance.

Cavite et al. (2023) contend that the sustained development of community companies necessitates strategic competence and adaptive governance rather than dependence on policy-driven support systems. Their findings suggest that without internal strategic reform, externally driven support may fail to produce long-term competitiveness. Jarusen and Cheunkamon (2024) illustrate that deficiencies in strategic management systems and performance measurement constrain the ability of Thai community firms to adapt to market instability. From a political economy viewpoint, these patterns illustrate conflicts between welfare-oriented state intervention and market-driven competitive regulation.

This theoretical framework positions community enterprises within negotiated realms between governmental authority and market dynamics, whereas community businesses align more closely with market-driven principles and entrepreneurial independence.

2. Institutional Theory: Formal and Informal Constraints

Institutional Theory elucidates how formal regulations and informal norms influence organizational behavior and performance results. Community enterprises function within two institutional contexts: formal state regulatory frameworks and informal community governance structures.

Raungpaka et al. (2017) demonstrate that inadequate information orientation and deficient data management systems in community-based firms hinder strategic decision-making and value chain integration. This indicates that mere formal institutional recognition does not guarantee operational sophistication. Furthermore, Jarusen and Cheunkamon (2024) pinpoint deficiencies in managerial competence, substantiating the assertion that institutional constraints—both regulatory and normative—impact sustainability.

Institutional Theory emphasizes that entrenched societal norms can bolster collective governance while simultaneously obstructing managerial specialization or innovation. Conversely, community enterprises typically implement institutional frameworks that prioritize efficiency, accountability, and strategic adaptability to competitive marketplaces. Consequently, institutional frameworks substantially affect the long-term sustainability of grassroots economic models.

3. Social Enterprise Theory: Hybrid Logics and Mission Tension

Social Enterprise Theory offers a meso-level framework for the analysis of hybrid organizations that aim to achieve both social and commercial goals. Community enterprises frequently pursue two objectives: revenue development and community well-being. Nonetheless, reconciling these objectives may generate internal conflicts.

Khiawnoi et al. (2025) underscore the pivotal function of community enterprise entrepreneurs in harmonizing economic, social, and environmental aspects of sustainability. Their findings indicate that leadership capacity is essential for navigating hybrid pressures.

However, when social ideals prevail without a solid business strategy, financial viability may be jeopardized.

Sitabutr (2017) analyzes the export performance of Thai OTOP community-based firms, revealing that competitiveness is contingent upon perceived quality, trust, pricing strategy, and customer satisfaction—fundamental market-based drivers. This research substantiates the assertion that hybrid organizations must implement market-oriented tactics to maintain social missions. Community enterprises, by emphasizing profitability and entrepreneurial leadership, can attain a more robust connection between financial sustainability and enduring social impact.

Consequently, Social Enterprise Theory enables this study to assess whether structural distinctions between community enterprises and community businesses arise from disparities in the prioritization and implementation of hybrid aims.

4. Community-Based Development Theory: Participation and Empowerment

Community-Based Development Theory underscores local engagement, empowerment, and collective ownership as essential pillars of sustainable development. Community companies are typically organized on participatory governance, collaborative decision-making, and equitable sharing of benefits.

Nonetheless, empirical evidence indicates that mere participation does not ensure competitiveness. Cavite et al. (2023) assert that successful community enterprise development necessitates strategic direction and network management in addition to participatory frameworks. Khiawnoi et al. (2025) emphasize that entrepreneurial leadership in community contexts substantially affects sustainability results. These findings indicate that empowerment must be augmented by managerial proficiency and market involvement.

Community enterprises, although capable of sustaining community benefit-sharing frameworks, often implement entrepreneur-led governance structures that improve agility and strategic precision. This disparity prompts essential inquiries regarding the trade-offs between inclusion and efficiency in grassroots economic systems.

5. Integrated Analytical Framework

This study employs a critical analytical framework by integrating four theoretical approaches to investigate structural power relations, institutional limits, hybrid organizational conflicts, and participative dynamics inherent in grassroots economic models. Critical Political Economy Theory contextualizes community enterprises within extensive state-market power dynamics; Institutional Theory elucidates the influence of regulatory and normative frameworks on performance; Social Enterprise Theory delineates the management of hybrid missions; and Community-Based Development Theory assesses empowerment and governance structures.

This integrated approach facilitates a comparative structural study of community enterprises and community companies, supported by empirical findings from Scopus-indexed research (Cavite et al., 2023; Jarusen & Cheunkamon, 2024; Khiawnoi et al., 2025; Raungpaka et al., 2017; Sitabutr, 2017). It gives a theoretically informed framework for evaluating which model presents superior potential for resilience, competitiveness, and long-term sustainability in grassroots economic development.

Conceptual Framework

The study compares two models across four analytical dimensions:



Figure 1: Conceptual Framework

Research Methodology

Research Design

This study utilizes documentary research, using qualitative document analysis as its principal research methodology. This method is suitable for analyzing policy frameworks, institutional configurations, and theoretical discussions, as it facilitates the methodical interpretation of texts within their socio-political and economic settings. The study analyzes existing records to identify structural patterns, discursive forms, and institutional processes that influence grassroots economic models, rather than gathering fresh empirical data.

Qualitative document analysis is particularly efficacious for scrutinizing both state-supported community enterprises and market-oriented community firms, as these organizational frameworks are profoundly shaped by policy instruments, legal structures, and developmental narratives. The study utilizes a critical-interpretive approach, viewing documents not merely as informative sources, but as institutional artifacts that encompass power dynamics, policy reasons, and underlying ideological assumptions.

Data Sources and Document Selection

The analysis employs diverse types of secondary sources to ensure analytical rigor and triangulation. These include: (1) official policy documents related to community enterprise promotion, rural development, and economic decentralization; (2) peer-reviewed journal articles, particularly those indexed in Scopus, on community enterprises, social enterprises, grassroots economic development, and institutional governance; (3) legal and regulatory documents, including statutes, ministerial directives, and administrative guidelines; (4) reports produced by development agencies, national planning bodies, and policy research institutions; (5) secondary case studies concerning community enterprises and community businesses in Thailand and comparable contexts; and (6) economic and evaluation reports, including performance assessments and data summaries where available. The documents were chosen based on four criteria: relevance, credibility, timeliness, and theoretical importance. We looked at the sources to make sure they were directly related to the study's focus on comparing community enterprises and community companies. To enhance the reliability of the analysis, preference was accorded to peer-reviewed and institutionally authoritative publications.

Data Analysis Procedures

The research utilizes four synergistic analytical methodologies. Thematic analysis was initially employed to discern repeating patterns and categories associated with structural and institutional characteristics. The coding technique commenced with open coding and subsequently evolved into more comprehensive analytical themes. Second, we used critical discourse analysis (CDA) to look at how papers define ideas like empowerment, sustainability, competitiveness, and state assistance. This showed us the assumptions and power dynamics that are hidden in the documents. Third, a comparative structural study was performed to methodically evaluate community enterprises and community companies across essential characteristics, such as institutional logic, governance frameworks, economic orientation, and capital structure. Finally, conceptual synthesis was employed to put the data into a bigger picture that explains the structural circumstances that affect sustainability and competitiveness in grassroots economic systems.

Coding Framework

The coding system was developed deductively based on the theoretical foundations of the study and later refined inductively throughout the analytical phase. The main coding areas were: state dependency, market competitiveness, governance structure, access to finance, entrepreneurial autonomy, and sustainability outcomes. These categories helped the study find out how different sorts of organizations are built and how those structures affect their ability to change and stay strong throughout time.

Rigor and Validity

The study employed many methodologies to enhance its rigor and reliability. First, triangulation of sources was utilized across policy, legal, academic, and institutional elements. Second, theoretical triangulation was used by looking at the results through several theoretical frameworks. Third, the study used a clear coding system to make the analysis more consistent and easier to follow. Fourth, comparison reasoning was employed to reduce single-case bias and augment the explanatory relevance of the findings.

Although documentary research does not aim at statistical generalization, it provides substantial conceptual and structural insights into the institutional elements that affect grassroots economic models.

Research Results

1. Structural Characteristics of Community Enterprises

The documentary analysis indicates that community companies in Thailand are fundamentally integrated into state-centric institutional frameworks and welfare-focused development paradigms. Four interrelated structural traits arise throughout policy papers, scholarly research, and regulatory frameworks: institutional dependence, collective governance, welfare-oriented economic orientation, and sustainability limits. These findings correspond with Scopus-indexed empirical studies investigating the performance and structural dynamics of community-based firms in Thailand and similar contexts.

1.1 Institutional Dependence: The results demonstrate that community enterprises sustain robust connections with governmental policies, legal structures, and public financing systems. Institutional legitimacy mostly originates from formal registration in accordance with governmental regulations and involvement in state-sponsored development initiatives. Policy narratives constantly depict community enterprises as tools for rural empowerment and poverty alleviation, with the state serving as both facilitator and regulator of grassroots economic initiatives.

The investigation indicates patterns of structural reliance on subsidies, grants, and government procurement avenues. Cavite et al. (2023) contend that whereas policy assistance bolsters legitimacy and initial operational stability, overdependence on state-driven efforts may

limit strategic autonomy and long-term competitiveness. Jarusen and Cheunkamon (2024) also observe that numerous community enterprises lack internally devised performance measurement tools, instead depending on externally mandated evaluation frameworks associated with public funding initiatives. This dependence may constrain entrepreneurial autonomy and adaptive capacity from a structural standpoint.

Furthermore, studies on information orientation within community enterprises indicate that formal institutional acknowledgment does not inherently lead to operational complexity (Raungpaka et al., 2017). Regulatory support confers symbolic credibility but does not inherently enhance internal strategic competence. These findings indicate that institutional embeddedness, although advantageous for resource access, may create path dependency and diminish incentives for market-driven innovation.

1.2 Governance Structure: The documentary evidence indicates that community enterprises mostly utilize collective and participatory governance structures. Decision-making processes are generally executed via community committees, cooperative leadership frameworks, or consensus-building methods. This governance structure embodies the tenets of Community-Based Development Theory, highlighting inclusivity, collective ownership, and local empowerment.

Although participatory governance enhances social cohesion and community legitimacy, the analysis reveals problems associated with managerial specialization and strategic agility. Cavite et al. (2023) assert that successful community enterprise growth necessitates strategic orientation and the ability to manage networks, extending beyond mere participatory frameworks. Khiawnoi et al. (2025) illustrate that entrepreneurial leadership markedly affects sustainability outcomes, indicating that collective governance alone is inadequate for maintaining competitiveness.

The lack of distinctly defined managerial roles frequently leads to ambiguous accountability frameworks and sluggish strategic reactions to market fluctuations. Jarusen and Cheunkamon (2024) observe that deficiencies in strategic management capabilities hinder organizational learning and performance evaluation. Consequently, whereas collaborative governance promotes democratic engagement, it may concurrently impede efficiency and adaptive decision-making in competitive contexts.

1.3 Economic Orientation: The investigation verifies that community enterprises are primarily focused on welfare and driven by community benefits. Policy documents regularly articulate their aims as income redistribution, poverty reduction, and social inclusion, rather than profit maximization. Economic activities are often rationalized as means to enhance local solidarity and maintain communal identity.

Nonetheless, this welfare-focused approach frequently results in constrained market-driven strategic positioning. Sitabutr (2017) illustrates that the export success of OTOP community-based firms is highly affected by perceived quality, pricing strategy, customer satisfaction, and trust—fundamental factors of competitiveness. The findings indicate that firms emphasizing social aims without strategic market alignment have limitations in scaling and sustaining operations.

Moreover, Raungpaka et al. (2017) demonstrate that insufficient information orientation and inadequate data use impede value chain integration and strategic adaptation. This suggests that although social inclusion is a fundamental strength, inadequate market information and strategic positioning could hinder growth potential. Consequently, community companies demonstrate significant social embeddedness yet exhibit somewhat less integration into competitive market systems.

1.4 Sustainability Constraints: The findings delineate multiple structural limitations impacting long-term sustainability:

1.4.1 Inadequate Strategic Management Systems. Empirical research reveals shortcomings in strategic planning, performance assessment, and managerial competence (Jarusen & Cheunkamon, 2024). In the absence of strong strategic frameworks, businesses find it challenging to manage market volatility.

1.4.2 Restricted Capital Accessibility and Financial Scalability. Community companies frequently rely on modest financing, revolving community funds, or governmental grants. Restricted access to formal loans and private investment hinders expansion and innovation (Cavite et al., 2023).

1.4.3 Limited Flexibility in Competitive Markets. Market response necessitates agility, product differentiation, and quality assurance mechanisms. Sitabutr (2017) illustrates that businesses operating in export markets must adhere to international standards and fulfill consumer expectations. Numerous community enterprises have challenges in achieving these competitive standards.

1.4.4 Institutional Inflexibility and Mission Conflict. Khiawnoi et al. (2025) underscore the conflict between social aspirations and economic viability. When social welfare objectives prevail without an aligned business strategy, long-term sustainability may be jeopardized.

These constraints indicate that sustainability issues arise not from insufficient community engagement but from structural and management deficiencies inherent in the institutional and governance framework of community enterprises.

Thus, compilation of Results. The structural attributes of community enterprises demonstrate a model that is socially inclusive and institutionally validated, yet hindered by policy reliance, inefficiencies in collective governance, restricted strategic management capabilities, and inadequate market integration. The strategy considerably aids local mobilization and social empowerment, but its long-term economic viability is dependent on institutional change, improved entrepreneurial leadership, and greater market-oriented competencies. These findings establish the empirical framework for the next comparative analysis of community enterprises and for reassessing the structural underpinnings of grassroots economic development.

Table 1 Structural Characteristics of Community Enterprises

Structural Dimension	Key Characteristics of Community Enterprises	Analytical Implication
Institutional Dependence	Community enterprises are strongly embedded in state-centered institutional	State support enhances legitimacy and short-term stability, but

Structural Dimension	Key Characteristics of Community Enterprises	Analytical Implication
	frameworks. Their legitimacy is largely derived from formal registration, regulatory recognition, and participation in government-supported development programs. They often rely on subsidies, grants, and public procurement channels for operational support.	excessive dependence may reduce entrepreneurial autonomy, weaken internal capability development, and create path dependency that limits long-term competitiveness.
Governance Structure	Governance is predominantly collective and participatory, often organized through community committees, cooperative leadership, and consensus-based decision-making. This structure reflects principles of inclusivity, collective ownership, and local empowerment.	Participatory governance strengthens social cohesion and legitimacy, but unclear managerial roles and diffuse accountability may reduce strategic agility, delay decision-making, and weaken organizational responsiveness in competitive environments.
Economic Orientation	Community enterprises are primarily welfare-oriented and community-benefit driven. Their objectives frequently emphasize income redistribution, poverty reduction, social inclusion, and community solidarity rather than profit maximization.	Strong social embeddedness supports local participation and social value creation; however, limited market orientation may constrain product positioning, competitiveness, scalability, and long-term economic sustainability.
Strategic Management Capacity	Evidence indicates weaknesses in strategic planning, performance measurement, and managerial capability. Many enterprises lack internally developed systems for evaluating performance and adapting to changing market conditions.	Weak strategic management reduces organizational learning, limits adaptive capacity, and makes enterprises more vulnerable to market volatility.
Access to Capital	Community enterprises commonly depend on small-scale community funds, revolving funds, or government financial support. Access to formal credit and private investment is often limited.	Restricted capital access constrains expansion, innovation, and investment in quality improvement, technology, and market development.
Market Adaptability	Many community enterprises face difficulties in meeting competitive market standards, including product differentiation, quality assurance, pricing strategy, and responsiveness to consumer demand.	Limited adaptability weakens integration into higher-value markets and reduces long-term resilience, especially in export-oriented or highly competitive sectors.
Mission Tension and Sustainability Constraints	Community enterprises often attempt to combine social welfare goals with economic activities. However, social objectives may dominate without being supported by a clear business strategy.	Mission imbalance can undermine financial viability. Sustainability challenges arise not from lack of participation, but from structural limitations in governance, strategy, capital access, and market integration.



Figure 2: Structural traits of community enterprises

2. Structural Characteristics of Community Businesses

The documentary analysis distinguishes community companies from community enterprises by indicating that they are more closely aligned with market-oriented institutional logics and entrepreneurial governance models. Four distinguishing structural characteristics emerge across academic research, policy discussions, and comparative conceptual analysis: market-driven institutional positioning, entrepreneur-led governance, competitiveness-centered economic orientation, and enhanced sustainability potential. These findings align with Scopus-indexed studies investigating hybrid companies, local entrepreneurship, and market-oriented community development frameworks.

2.1 Institutional Structure: The investigation reveals that community enterprises function with a market-oriented institutional framework, marked by less reliance on government subsidies and an increased focus on revenue creation, customer interaction, and competitive strategy. Community enterprises obtain institutional legitimacy mostly from governmental acknowledgment and regulatory approval, whereas community companies achieve legitimacy via market success and consumer confidence.

Empirical study underscores the significance of internal strategic capabilities relative to reliance on external policy. Cavite et al. (2023) contend that viable grassroots enterprises necessitate adaptive governance and market response instead of ongoing dependence on government incentives. Jarusen and Cheunkamon (2024) assert that organizations with more defined internal management systems exhibit enhanced competitiveness in dynamic contexts. These findings suggest that firms rooted in market logic are inclined to develop internal performance mechanisms that diminish structural dependency.

Moreover, research on hybrid and social companies indicates that diminished dependence on regulation frequently improves operational flexibility, allowing organizations to adjust products, pricing strategies, and distribution channels in reaction to evolving market

conditions (Khiawnoi et al., 2025). Community enterprises, consequently, demonstrate organizational structures that emphasize strategic independence and flexibility.

2.2 Governance Model: The documentary evidence identifies entrepreneur-driven governance as a fundamental structural attribute of community enterprises. In contrast to communal committee-based decision-making frameworks, community enterprises generally exhibit distinct leadership power, specified managerial positions, and efficient strategic decision-making procedures.

Research highlights the importance of entrepreneurial leadership in attaining sustainable results. Khiawnoi et al. (2025) illustrate that entrepreneurial capacity is pivotal in the efficient integration of economic and social objectives. Cavite et al. (2023) assert that clarity in leadership and strategic cooperation are vital for enhancing competitiveness in rural firms.

Well-defined leadership structures augment accountability, expedite decision-making, and boost response to market signals. Jarusen and Cheunkamon (2024) assert that organizations with systematic performance management frameworks and clearly delineated managerial accountability demonstrate enhanced operational efficiency.

Participatory government fosters inclusivity, whereas entrepreneur-led approaches diminish coordination expenses and facilitate strategic agility. This governance structure enhances the organization's capacity to innovate, grow, and realign within competitive marketplaces.

2.3 Economic Orientation: Community enterprises exhibit an economic orientation centered on profitability and sustainability. Instead of promoting benefit transfer as a main goal, these groups establish financial viability as the basis for sustained social commitment. Profit-generating is regarded not as an ultimate goal but as a necessary condition for scalability and resilience.

Empirical research from Sitabutr (2017) underscores that market competitiveness—assessed by perceived quality, pricing strategy, trust, and customer satisfaction—is pivotal to the export performance of community-based firms. Organizations that closely match customer demand and quality requirements exhibit superior performance outcomes. This underscores the significance of market information, branding, and product distinction.

Raungpaka et al. (2017) demonstrate that firms possessing robust information orientation and data exploitation capabilities are more effectively positioned to integrate into value chains and respond to consumer demands. Community enterprises that prioritize market analysis, quality assurance, and strategic positioning have structural benefits in fluctuating contexts.

The data indicate that community firms engage in strategic expansion, encompassing product diversification and wider market penetration, thereby situating themselves inside competitive regional and worldwide marketplaces instead of limited local networks.

2.4 Sustainability Potential: The findings demonstrate that community enterprises have superior capabilities in innovation, adaptation, and sustained financial sustainability relative to policy-dependent models.

Initially, market exposure fosters ongoing product enhancement and operational innovation. Competitive pressure catalyzes organizational learning and the improvement of efficiency (Cavite et al., 2023).

Secondly, entrepreneur-driven frameworks provide swift strategic modifications in reaction to economic disruptions or changing demand trends. Khiawnoi et al. (2025) assert that leadership capacity is a pivotal factor in the sustained integration of economic and social objectives.

Third, diminished dependence on government subsidies enhances financial autonomy and fortitude under policy variations. Entities that produce stable revenue streams are less susceptible to fluctuations in public financing preferences.

Ultimately, strategic alignment with consumer demand and quality standards bolsters long-term sustainability. Sitabutr (2017) illustrates that companies that maintain brand trust and product competitiveness attain superior export and financial performance results.

These findings indicate that community firms, whilst perhaps maintaining community-focused benefit-sharing systems, function inside institutional frameworks that improve competitiveness, strategic independence, and sustainability.

Thus, the structural attributes of community enterprises embody a framework rooted in market principles, entrepreneurial management, and a strategy driven by competitiveness. In contrast to community enterprises, community firms demonstrate reduced policy reliance, enhanced managerial responsibility, improved market alignment, and greater adaptive capacity. These traits render them potentially more robust agents within shifting economic contexts.

The transition to market-driven structures raises normative concerns about inclusion and equitable distribution of benefits—topics that will be examined in the next Discussion section.

Table 2 Structural Characteristics of Community Businesses

Structural Dimension	Key Characteristics of Community Businesses	Analytical Implication
Institutional Structure	Community businesses are more closely aligned with market-oriented institutional logics. Their legitimacy is derived less from state endorsement and more from market performance, customer trust, and revenue generation. They rely less on subsidies and public support and place greater emphasis on internal strategic capability.	Reduced dependence on government support strengthens strategic autonomy, encourages internal performance systems, and improves organizational flexibility in changing market environments.
Governance Model	Governance is primarily entrepreneur-led, with clearer leadership authority, defined managerial roles, and faster strategic decision-making processes. This model differs from committee-based or highly participatory governance structures.	Entrepreneur-led governance improves accountability, coordination, and responsiveness to market signals, thereby enhancing efficiency, innovation, and competitive adaptation.
Economic Orientation	Community businesses emphasize profitability, market competitiveness, and long-term sustainability. Financial viability is treated as the foundation for maintaining social contribution rather than as a conflicting objective.	A stronger market orientation supports product differentiation, branding, customer responsiveness, and expansion into broader markets, increasing scalability and resilience.
Strategic Management Capacity	These organizations tend to develop stronger internal management systems, clearer performance mechanisms, and more deliberate strategic planning. Their operations are shaped by market analysis, customer demand, and competitive positioning.	Stronger strategic management enhances organizational learning, operational efficiency, and the ability to respond effectively to economic uncertainty and competitive pressure.
Access to Markets and Value Chains	Community businesses are more likely to pursue product diversification, wider market penetration, and integration into regional or broader commercial networks. Market information and quality assurance play a central role in their operations.	Greater market integration improves competitiveness and enables firms to capture more value through branding, quality control, and customer-oriented strategies.

Structural Dimension	Key Characteristics of Community Businesses	Analytical Implication
Adaptive Capacity	Community businesses demonstrate higher flexibility in adjusting products, pricing, distribution channels, and business strategies in response to changing market conditions.	High adaptive capacity strengthens resilience, supports innovation, and enables quicker responses to economic shocks or shifts in consumer demand.
Sustainability Potential	Community businesses show stronger potential for innovation, financial sustainability, and long-term competitiveness. Stable revenue generation and strategic alignment with market demand support continued growth and organizational resilience.	This model offers stronger structural foundations for long-term sustainability; however, its market-driven orientation may also raise concerns about inclusion, benefit distribution, and possible mission drift.



Figure 3 Structural traits of community businesses

3. Comparative Structural Analysis

The comparative structural analysis integrates findings from documentary sources and Scopus-indexed empirical research to investigate the fundamental distinctions between community enterprises and community businesses across three essential dimensions: (1) state dependency versus market competitiveness, (2) collective governance versus entrepreneurial leadership, and (3) hybrid mission tension. This study offers a systematic elucidation of how institutional frameworks influence long-term sustainability and adaptive potential in grassroots economic systems.

3.1 State Dependency vs. Market Competitiveness: The analysis indicates a basic structural disparity in the relationship between the two models and governmental institutions, as well as market mechanisms. Community enterprises demonstrate stability that is contingent upon policy. Formal registration, regulatory approval, and access to public financing augment legitimacy and provide operational stability. Nonetheless, documentary evidence and empirical

studies demonstrate that such institutional assistance can engender structural dependence. Cavite et al. (2023) contend that firms reliant on governmental subsidies frequently encounter difficulties in developing internal strategic capabilities, hence constraining their competitiveness in liberalized markets. Jarusen and Cheunkamon (2024) illustrate that deficiencies in internal management systems endure despite institutional support, indicating that policy endorsement alone does not ensure sustainable success.

This design illustrates a welfare-oriented development paradigm in which the state serves as a guarantor of stability, potentially limiting entrepreneurial autonomy. Consequently, stability is attained through regulatory safeguards rather than competitive prowess.

Conversely, community enterprises function based on market-driven sustainability. Their sustainability is contingent upon revenue growth, customer trust, product quality, and competitive differentiation. Sitabutr (2017) demonstrates that the export performance of Thai community-based firms is substantially affected by market-driven factors, including perceived quality, pricing strategy, and customer happiness. This study indicates that market exposure cultivates performance discipline and innovation.

Raungpaka et al. (2017) emphasize that firms with robust information orientation and market intelligence exhibit superior integration within value chains, underscoring the significance of competitive positioning. In contrast to policy-dependent enterprises, community businesses obtain stability from consistent market performance rather than external subsidies.

The comparison findings reveal a structural trade-off: state-dependent models offer short-term security but may jeopardize long-term competitiveness, while market-driven solutions encounter more risk exposure yet foster adaptive resilience.

3.2 Collective Governance vs. Entrepreneurial Leadership: A secondary structural distinction arises in governance frameworks. Community companies primarily utilize collective and participatory governance frameworks, highlighting inclusivity, shared ownership, and community representation. This arrangement corresponds with Community-Based Development Theory, emphasizing empowerment and social cohesiveness. Evidence indicates that collaborative governance may result in coordination costs and protracted decision-making procedures. Cavite et al. (2023) assert that participatory structures require enhancement through strategic leadership and network management capabilities to attain competitiveness.

Jarusen and Cheunkamon (2024) identify shortcomings in performance monitoring and managerial specialty in community companies, suggesting that diffuse leadership may hinder accountability and strategic clarity. In contrast, community firms are generally organized around entrepreneurial leadership, marked by well-defined administrative authority and efficient decision-making. Khiawnoi et al. (2025) illustrate that entrepreneurial capacity markedly affects sustainability results in community-based firms. Leadership autonomy improves agility, facilitating swift reactions to market changes and competitive challenges.

The analysis demonstrates a systemic compromise between inclusion and strategic agility. Collective governance bolsters legitimacy and participation, whereas entrepreneur-led governance improves efficiency and adaptation. Entrepreneurial autonomy is a crucial factor influencing organizational responsiveness and sustainability.

3.3 Hybrid Mission Tension: Community companies and community businesses function within hybrid economic-social frameworks; the integration of their objectives varies considerably. Community companies demonstrate a heightened social focus, with policy narratives prioritizing benefit redistribution, poverty reduction, and communal cohesion. This perspective enhances social embeddedness but frequently leads to diminished financial robustness. Khiawnoi et al. (2025) assert that achieving equilibrium between social and

economic goals necessitates strategic leadership; failure to maintain this balance may jeopardize financial sustainability. Empirical evidence indicates that companies emphasizing social aims without robust market alignment encounter limitations in growth and capital acquisition (Cavite et al., 2023). The dual mission of community enterprises often creates a conflict between inclusivity and profitability.

In contrast, community enterprises exhibit a more explicit blending of profitability and sustainability. Financial viability is established as the cornerstone for maintaining social impact rather than as a conflicting goal. Sitabutr (2017) demonstrates that firms that align product quality, pricing, and customer happiness with market expectations attain superior export performance, underscoring the significance of economic discipline in maintaining social contributions.

From the standpoint of Social Enterprise Theory, community businesses seem to proactively manage hybrid logics by integrating social aims inside competitive market frameworks instead of prioritizing welfare goals above market strategies.

Comparative Synthesis: The comparative structural study identifies three fundamental distinctions:

1. Institutional Logic

Community enterprises: Stability derived from governmental support; susceptibility to policy changes.

Community enterprises: Sustainability via market performance; vulnerability to competitive pressures.

2. Governance Structure

Community enterprises: Engaging inclusively with possible managerial inefficiencies.

Community enterprises: Entrepreneurial leadership characterized by increased agility and responsibility.

3. Hybrid Integration

Community enterprises: Predominantly social purposes may jeopardize financial stability.

Community enterprises: Profitability incorporated as a means of sustaining social impact.

The research indicates that community companies excel in social mobilization and institutional legitimacy, whereas community businesses demonstrate superior structural alignment with competitiveness, adaptability, and long-term economic viability. Nonetheless, market-driven approaches must ensure community engagement to avert mission drift and the perpetuation of inequality—a problem examined further in the Discussion section.

Table 3 Comparative Structural Analysis of Community Enterprises and Community Businesses

Dimension	Community Enterprises	Community Businesses	Structural Implication
1. Institutional Logic (<i>State Dependency vs. Market Competitiveness</i>)	Policy-dependent stability through formal registration, regulatory endorsement, and public funding support (Cavite et al., 2023; Jarusen & Cheunkamon, 2024). Stability achieved via institutional protection.	Market-determined sustainability based on revenue generation, customer trust, pricing strategy, product quality, and export competitiveness (Sitabutr, 2017; Raungpaka et al., 2017). Stability derived from competitive market performance.	Trade-off between security and competitiveness . State support ensures short-term stability but may weaken strategic capability. Market exposure increases risk but strengthens adaptive resilience.
2. Governance Configuration (<i>Collective Governance vs. Entrepreneurial Leadership</i>)	Participatory and collective governance emphasizing inclusivity, shared ownership, and community representation (Cavite et al., 2023). Diffuse leadership may result in slower decision-making and weaker managerial specialization (Jarusen & Cheunkamon, 2024).	Entrepreneurial leadership with defined authority, strategic direction, and managerial autonomy (Khiawnoi et al., 2025). Faster decision-making and stronger accountability mechanisms.	Trade-off between inclusivity and agility . Collective governance strengthens legitimacy but may reduce responsiveness. Entrepreneurial leadership enhances efficiency and adaptability.
3. Hybrid Mission Integration (<i>Social vs. Economic Prioritization</i>)	Strong social orientation emphasizing welfare redistribution and community solidarity. Risk of financial fragility if social goals outweigh market alignment (Cavite et al., 2023; Khiawnoi et al., 2025).	Profitability is positioned as the foundation for sustaining social impact (Sitabutr, 2017). Economic discipline is embedded within social mission.	Trade-off between social embeddedness and financial robustness . Social-first orientation may constrain scalability. Market-integrated model better manages hybrid mission tension.

Table 4 Comparative Synthesis

Analytical Dimension	Community Enterprises	Community Businesses
Core Stability Mechanism	Regulatory protection and state endorsement	Market competitiveness and revenue performance
Primary Governance Model	Collective, participatory structure	Entrepreneur-centered strategic leadership
Hybrid Logic Orientation	Social objectives are often dominant	Economic sustainability integrated with social impact
Long-Term Risk Profile	Vulnerable to policy shifts and funding withdrawal	Exposed to market volatility but structurally adaptive

4. Emergent Conceptual Model

The comparative and thematic studies produce a novel conceptual model elucidating the structural determinants of sustainability in grassroots economic groups. The model integrates insights from Critical Political Economy Theory, Institutional Theory, Social Enterprise Theory, and Community-Based Development Theory, underpinned by empirical evidence from Scopus-indexed research. It asserts that long-term sustainability in community-based economic systems is influenced not by a singular institutional framework, but by the interplay of four interrelated structural capacities: governance capability, access to finance, entrepreneurial autonomy, and market integration.

4.1 Core Determinants of Sustainability

(1) Governance Capacity

Governance capacity denotes an organization's capability to define explicit decision-making power, implement strategic planning frameworks, develop accountability systems, and create performance monitoring structures. Documentary evidence suggests that communal governance increases involvement but may diminish strategic clarity when managerial roles are ambiguous. Cavite et al. (2023) assert that the creation of sustainable community enterprises necessitates adaptive governance and strategic coordination that transcends participatory procedures. Jarusen and Cheunkamon (2024) similarly illustrate that the lack of effective management systems constrains performance efficiency. The findings indicate that governance capacity, rather than governance structure alone, is a key factor of resilience. Consequently, sustainability relies on the institutionalization of management proficiency in conjunction with participatory legitimacy.

(2) Capital Access

Capital access includes financial resources, credit systems, investment options, and the ability to diversify revenue. Community enterprises often rely on state subsidies or limited community funds, constraining scalability and innovation. Conversely, market-oriented firms cultivate diversified revenue streams. Empirical research demonstrates that restricted access to financing hinders product development and market expansion (Cavite et al., 2023). Inadequate financial resources hinder firms from investing in technology, branding, and quality enhancement—critical factors of competitiveness (Sitabutr, 2017). Consequently, access to capital serves as a fundamental facilitator of strategic expansion and adaptive capability.

(3) Entrepreneurial Autonomy

Entrepreneurial autonomy denotes the extent of strategic independence from governmental regulation, bureaucratic supervision, and inflexible collective decision-making frameworks. The comparative analysis reveals that firms with increased leadership autonomy display enhanced adaptability. Khiawnoi et al. (2025) emphasize the pivotal function of entrepreneurial leadership in the sustainable integration of economic and social objectives. Cavite et al. (2023) contend that strategic autonomy fosters innovation and competitive advantage. From a political economics standpoint, diminished reliance on policy-driven incentives enhances internal capability development. Entrepreneurial autonomy serves as a mediating variable that connects governance structure to adaptive resilience.

(4) Market Integration

Market integration denotes the degree to which firms synchronize products, services, pricing, and branding with consumer demand and competitive benchmarks. Sitabutr (2017) illustrates that perceived quality, trust, and pricing strategy substantially affect export performance. Raungpaka et al. (2017) demonstrate that information orientation improves value chain engagement and competitiveness. Organizations integrated within market networks establish learning mechanisms influenced by competition and consumer feedback. Market integration thus enhances sustainability via ongoing adaptation and innovation.

4.2 Proposed Integrative Model

The proposed conceptual model indicates that successful grassroots economic systems necessitate an integrative framework that combines: (1) Social Objectives (community integration, empowerment, welfare focus). (2) Market Competitiveness (quality benchmarks, innovation, strategic positioning). (3) Strategic Leadership (entrepreneurial independence, governance transparency, adaptive management).

The findings suggest that sustainability is enhanced when social embeddedness is strategically integrated with market discipline and professional leadership, rather than considering community enterprises and community companies as opposing models.

The model integrates from a theoretical perspective: (1) Insights from Critical Political Economy regarding state-market dynamics. (2) Perspectives of Institutional Theory about formal and informal limits. (3) The focus of Social Enterprise Theory on the integration of hybrid missions, and (4) Principles of participation and empowerment in Community-Based Development. The model consequently suggests a hybrid structural equilibrium, wherein: Social inclusion confers legitimacy. Market competitiveness ensures financial sustainability, while strategic leadership facilitates adaptive coordination.

Discussion

Reinterpreting Grassroots Economic Development

The findings indicate that grassroots economic development should not be perceived merely as a matter of participation, local mobilization, or institutional recognition. While community enterprises in Thailand clearly improve social embeddedness and collective legitimacy, the results indicate that simple participation is insufficient for guaranteeing long-term sustainability or competitiveness. Without strategic competence, participatory frameworks can result in management inefficiency, delayed adaptation, and limited market responsiveness (Cavite et al., 2023b; Jarusen & Cheunkamon, 2024). This viewpoint corresponds with substantial development literature, which asserts that empowerment requires the support of institutional capacity and market integration to achieve enduring results (Mair & Martí, 2006; Smith et al., 2013).

The findings further indicate that the state fulfills dual functions within grassroots economic systems. State support is still very important, especially in the beginning of an organization's growth. It gives the group credibility, recognition from the government, and access to public resources. From a Critical Political Economy perspective, state intervention can both promote and hinder organizational development (Evans, 1995; Battilana & Lee, 2014). Although state support may reduce immediate market risk, ongoing reliance on subsidies and externally imposed frameworks could compromise entrepreneurial autonomy and the enhancement of internal skills. In this respect, the results support Cavite et al. (2023b), who claim that successful community businesses need flexible governance and strategic management, not only regulatory protection. Consequently, grassroots economic growth should be reinterpreted as a structural process that requires the convergence of social legitimacy, entrepreneurial leadership, and market competitiveness, rather than treating them as separate or sequential elements.

Institutional Constraints and Structural Dependency

Institutional Theory can enhance our comprehension of the outcomes. It illustrates why formal acknowledgment does not invariably enable companies to change or endure over the long term. Formal institutionalization enhances legitimacy; nevertheless, it may also constrain autonomy by enforcing bureaucratic procedures, financial obligations, and policy expectations on organizations (DiMaggio & Powell, 1983; Scott, 2014). In the realm of community enterprises, regulatory endorsement appears to provide both symbolic and practical support;

nevertheless, it may also encourage compliance with externally imposed norms rather than nurturing the development of internally generated strategic competencies. This trend illustrates coercive isomorphism, whereby firms align with institutional demands to gain legitimacy, often at the expense of innovation and strategic flexibility (DiMaggio & Powell, 1983).

The study also illustrates the importance of informal institutional limitations. Community norms and consensus-oriented behaviors strengthen cohesion and legitimacy; nevertheless, they may concurrently impede professionalization, managerial specialization, and strategic risk-taking. This viewpoint corresponds with research on hybrid and social enterprises, suggesting that substantial normative pressures may impede innovation and organizational learning (Doherty et al., 2014; Smith et al., 2013). In Thai community enterprises, participatory decision-making enhances collective ownership; yet, it may also increase coordination costs and reduce responsiveness to competitive markets (Jarusen & Cheunkamon, 2024). These outcomes underscore the need for institutional reorganization rather than mere policy expansion. More enduring grassroots systems will likely require hybrid regulatory frameworks that maintain accountability while affording organizations greater autonomy to make strategic decisions and exhibit flexibility. This entails transitioning from subsidy-dependent support to frameworks emphasizing performance and capacity building (Cavite et al., 2023b).

Hybrid Organizational Tensions

The findings augment the understanding of community enterprises as hybrid organizations operating at the intersection of social and economic aims. Social Enterprise Theory posits that the principal issue is not in the choice to pursue multiple objectives, but in the institutional alignment and governance of both missions (Battilana & Lee, 2014; Doherty et al., 2014). The research shows that mission tension is still a major structural issue. When social welfare goals take precedence without adequate market alignment, financial sustainability is compromised, and long-term viability is threatened (Khiawnoi et al., 2025). Focusing too much on financial performance might lead to mission drift and hurt goals that are centered on the community (Smith et al., 2013).

The findings indicate that market rivalry should not be perceived as contrary to social impact. It seems that being competitive is a key prerequisite for keeping that power over time. Sitabutr (2017) demonstrates that perceived quality, trust, pricing strategy, and customer satisfaction significantly impact market performance in Thai community-based firms, suggesting that financial discipline and market responsiveness are crucial for sustainability. In this situation, entrepreneurial leadership emerges as a crucial mediating factor. Leaders who have strategic autonomy are better at balancing social obligations with competitive strategy and preventing the social and economic aspects from hurting each other (Mair & Martí, 2006; Khiawnoi et al., 2025). The conversation suggests that for hybrid enterprises to be viable, they need governance structures that combine the ability to be flexible as an entrepreneur with strong protections for social goals.

Participation and Efficiency: Beyond a Binary Trade-off

The findings also add to the continuing discussion in Community-Based Development Theory about how involvement affects how well an organization works. Community-based initiatives have historically prioritized local empowerment, collective ownership, and participatory governance as essential components of sustainable development (Mansuri & Rao, 2013). The current study corroborates this perspective by demonstrating that participatory frameworks augment legitimacy, social cohesion, and local participation. However, the results also show that these benefits may come with some practical drawbacks, such as slower decision-making, higher coordination costs, and less specialization in management (Cavite et al., 2023b).

On the other hand, models headed by entrepreneurs seem to make things clearer strategically, hold people accountable, and respond better to changes in the market (Jarusen & Cheunkamon, 2024). But these kinds of models do come with some risk. If there aren't enough protections in place, further concentration of management could lead to elite capture, exclusion, or concentration of benefits. Because of this, we shouldn't think of the connection between participation and efficiency as a straightforward either/or decision. The results, on the other hand, show that institutions need to be calibrated. The most effective grassroots economic models will probably be those that combine community monitoring and benefit-sharing systems with professional management and strategic leadership. These kinds of arrangements may keep things open to everyone while making things more competitive and adaptable.

Theoretical and Policy Implications

This work enhances theoretical discourse in multiple dimensions. First, it broadens the discourse on state-market relations within community-based economic systems by demonstrating that institutional dependency influences both resource accessibility and organizational adaptation. According to Critical Political Economy, government participation can create stability while also limiting strategic freedom and innovation (Evans, 1995). Second, the study facilitates a more integrated discourse between Institutional Theory and Social Enterprise Theory by illustrating the collective impact of formal regulation, informal norms, and hybrid organizational logics on sustainable outcomes (Scott, 2014; Battilana & Lee, 2014). Third, the results indicate that sustainable grassroots economic development relies more on structural reform than merely the increase of support programs.

From a policy standpoint, this suggests that change must transcend welfare-oriented assistance, advancing frameworks that enhance governance capacity, entrepreneurial independence, capital accessibility, and market integration. Policy frameworks that only allow participation without making strategic competence better are not likely to make the business competitive in the long run. On the other hand, market-oriented reform without accountability protections could make it harder for everyone to be included and for the community to gain. The main point is that any grassroots economic policy must find a balance between social legitimacy and strategic and economic capabilities. Sustainable local economic development is more likely to come from institutional structures that include participation, professional management, and market responsiveness in a way that makes sense.

Conclusion

This study meticulously examined the structural characteristics of community enterprises and community corporations, evaluating their implications for enduring grassroots economic development. Through documentary research and several theoretical frameworks, the findings reveal that the two models demonstrate significant disparities in their institutional foundations, governance structures, and economic orientations.

In Thailand, community companies are deeply anchored in government-sponsored institutional frameworks that are centered on communal governance and aims that are good for everyone. These places want individuals to get involved in their communities, spend time with each other, and feel like they belong. But the data reveals that relying too much on government help, not having enough strategic management abilities, and not being able to adapt to new markets could hinder long-term competitiveness. Community businesses require more than simply community involvement to stay in business. They also need to be better at managing people, leading businesses, and coming up with market-focused ideas.

Community businesses, on the other hand, follow institutional rules that are more focused on the market. Usually, entrepreneurs who put strategic decision-making, innovation, and making money first run them. These attributes make businesses more adaptable, better able to

deal with changes in the market, and more stable in the long run. People are still worried about fair distribution of benefits and the probable loss of community-oriented goals if the necessary accountability procedures aren't in place as the transition toward market-driven structures continues.

The research demonstrates that effective grassroots economic systems cannot rely solely on welfare-focused community involvement or primarily on market-driven entrepreneurship. Institutional systems that include social legitimacy, entrepreneurial autonomy, and market competitiveness are more likely to lead to long-term sustainability. The conceptual framework proposed in this study highlights the importance of governance ability, capital accessibility, strategic leadership, and market integration as essential structural elements affecting resilient community-based economic systems.

From a policy perspective, these findings indicate that reforms should evolve from subsidy-dependent assistance to capacity-building strategies that improve managerial competencies, entrepreneurial potential, and market connectivity, while preserving mechanisms for community involvement and benefit distribution. This research contextualizes Thailand's community-based economic models within extensive discussions regarding state-market dynamics and hybrid organizations, enhancing ongoing dialogues about the reconfiguration of grassroots economic systems to bolster sustainability and competitiveness.

Recommendations

1. Policy Recommendations

Institutional Reform: Shift from subsidy-based support toward capacity-building and performance-based incentives. Regulatory frameworks should promote entrepreneurial autonomy while maintaining accountability

Governance Strengthening: Support professional management training, strategic planning systems, and transparent performance evaluation to enhance competitiveness and reduce institutional dependency

Financial Mechanisms: Expand access to microfinance, blended finance, and private-sector partnerships to improve capital access and long-term resilience

8.2 Practice Recommendations

Market Orientation: Community enterprises should prioritize product quality, branding, and customer satisfaction to strengthen competitiveness and sustainability

Entrepreneurial Leadership: Clarify managerial roles and strengthen strategic leadership to balance social mission and financial viability

Accountability Safeguards: Entrepreneur-led models should incorporate transparent benefit-sharing and stakeholder oversight to prevent mission drift

3. Future Research Directions

Empirical testing of the proposed integrative framework.

Quantitative comparison of financial and social performance across models.

Cross-country institutional comparison studies.

Longitudinal analysis of sustainability and mission balance.

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