

Sufficiency Economy and SMEs Environmental Management: A case Study of the Mulberry Paper Industry at Ban Ton Pao, Chiangmai

Udomsak Seenprachawong¹

1. Introduction

Small and Medium Enterprises (SMEs) are the backbone of Thai economy. It was estimated that over 40 percent of Thai's GDP was produced by SMEs (Office of SMEs Promotion, 2000). There were 524,960 registered enterprises classified under the medium and small enterprises. Recently, Thai government has put much effort to promote SMEs as evidenced by series of law enactment and institutional reform in favor of SMEs. One important policy development is the so-called "One Tambon One Product (OTOP)" by the present government that aims to promote skill development and capability of new entrepreneurs. It is conceived that SMEs could be instrumental to increase productivity of Thai economy and to be a source of revenue from export.

However, there is a criticism that SMEs may have performed poorly in terms of environmental protection as a growing number of enterprises do not use resources wisely. In several cases, SMEs have created environmental problems from discharging waste water or disposing refuse without proper treatment. This is a particular concern for the mulberry paper production at Ban Ton Pao in Chiangmai Province.

This paper explores ways to apply the sufficiency economy concept in achieving a sustainable SMEs development. The paper is divided into 5 sections. The first section is an introduction. The second section presents a profile of the mulberry paper industry at Ban Ton Pao. Section three deals with the socio-economics impacts of the mulberry paper industry. The concept of Sufficiency Economy was introduced in section four. Section five proposed a framework for Ban Ton Pao to become a healthy community. The conclusions of this paper are presented in section six.

¹ School of Development Economics, National Institute Of Development Administration, Thailand