

# Implementing Policy Reforms for Economic Development in Southeast Asia: A Case of 2009 Creative Thailand Policy and Creative Industries

---

Piti Srisangnam, Ph.D.  
Sineenat Sermcheep, Ph.D.  
Seksan Anantasirikiat  
Faculty of Economics, Chulalongkorn University

22 May 2015

# Outline

1. Contextualising the Reform Policy
2. Policy-making
3. Policy Implementation
4. Policy Evaluation

# CONTEXTUALISING THE REFORM POLICY

---

# Economic and Social Conditions of Thailand

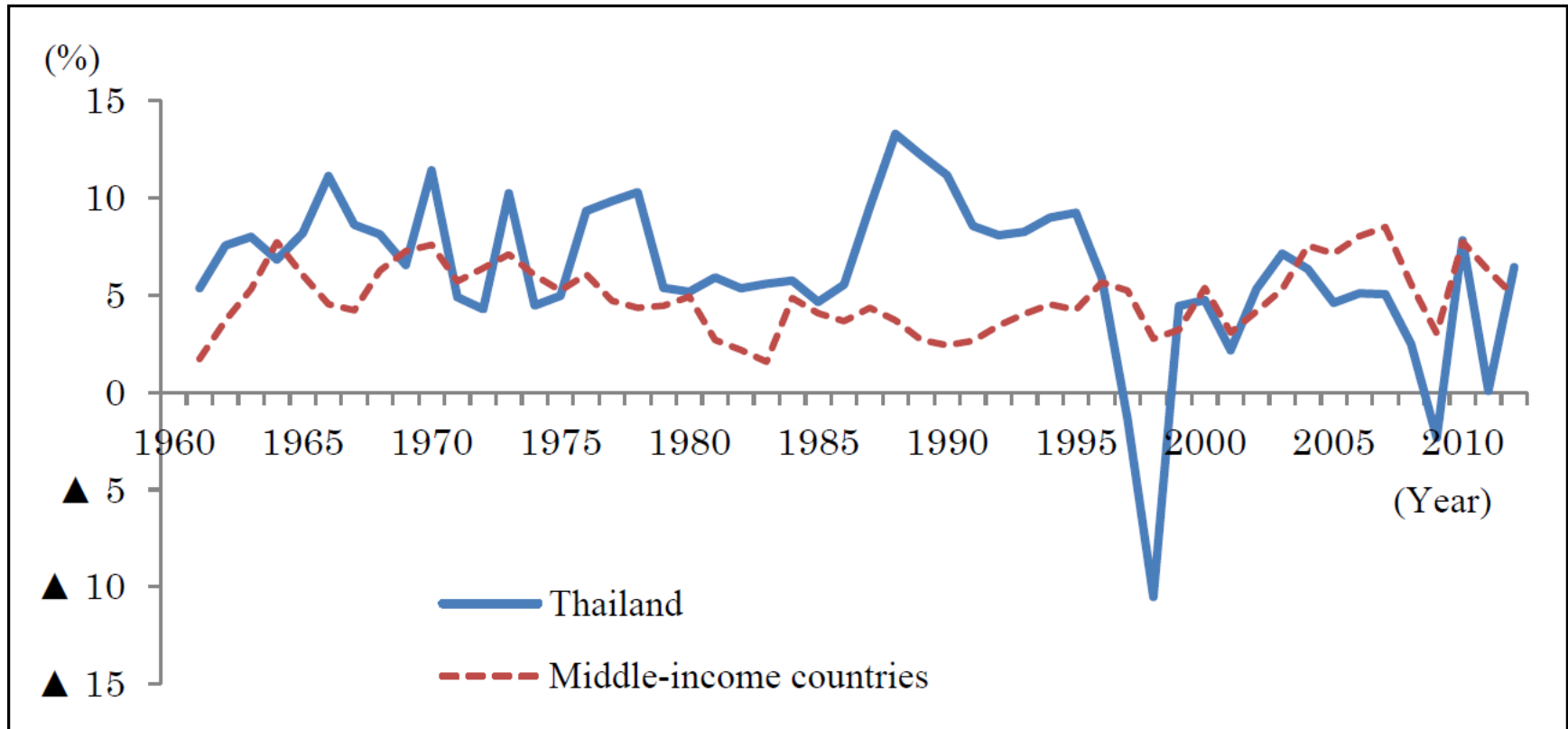
- **External dimension:**

- Globalization and Economic integration
- Global Financial Crisis
- Technological advancement

- **Internal dimension:**

- Economic structure: Service sector contributes in 2009
  - 45.1% of GDP (1,922 billion Baht) and
  - 46.61% of workforce (17.56 million workers)
- GDP vs. GDP per capita:
  - Thailand's GDP ranked 25<sup>th</sup> worldwide while GDP per capita ranked 119<sup>th</sup> worldwide in 2001 (World Bank and IMF Report).

# The Change in Thailand's GDP Growth Rate



Source: World Bank, *World Development Indicators*, Cited in Oizumi (2013)

# Reform Drivers

- Slower growth rate → Need to strengthen international competitiveness
- ‘The Thai economy runs on a single engine: external demand’



- Going forward, Thailand needs to strengthen the foundation for sustained and shared growth.



- Require ‘better and more accessible education’ and ‘a second engine of growth’

# Broad Policy Reform

## Thailand's National Economic and Social Development Plan A New Model of Holistic **'Human-centered Development'**

### Eight Plan (1997-2002)

- **Human** as the center of development
- Create balance between economic and social dimension
- Initiate the participation process of population/ organization/ private sector/ public sector

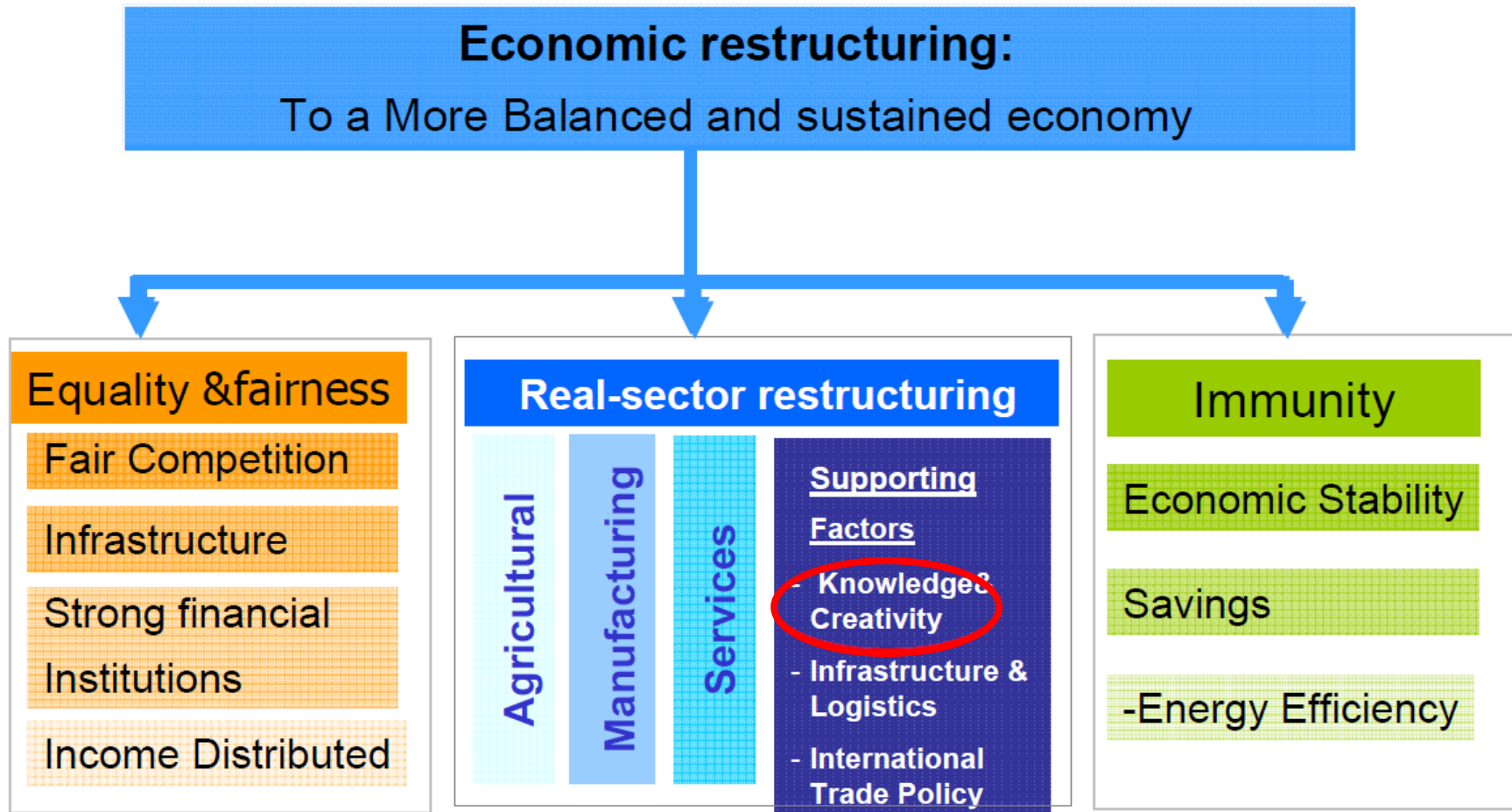
### Ninth Plan (2002-2006)

- Focus on sufficient economy
- **Human** as the center of development
- Focus on development of the socio-economic resilience
- Focus on society and human development in the **knowledge** aspect

### Tenth Plan (2007-2011)

- Focus of sufficient economy
- **Human** as the center of development
- Focus on balance social development together with economic
- Focus on quality rather than quantity

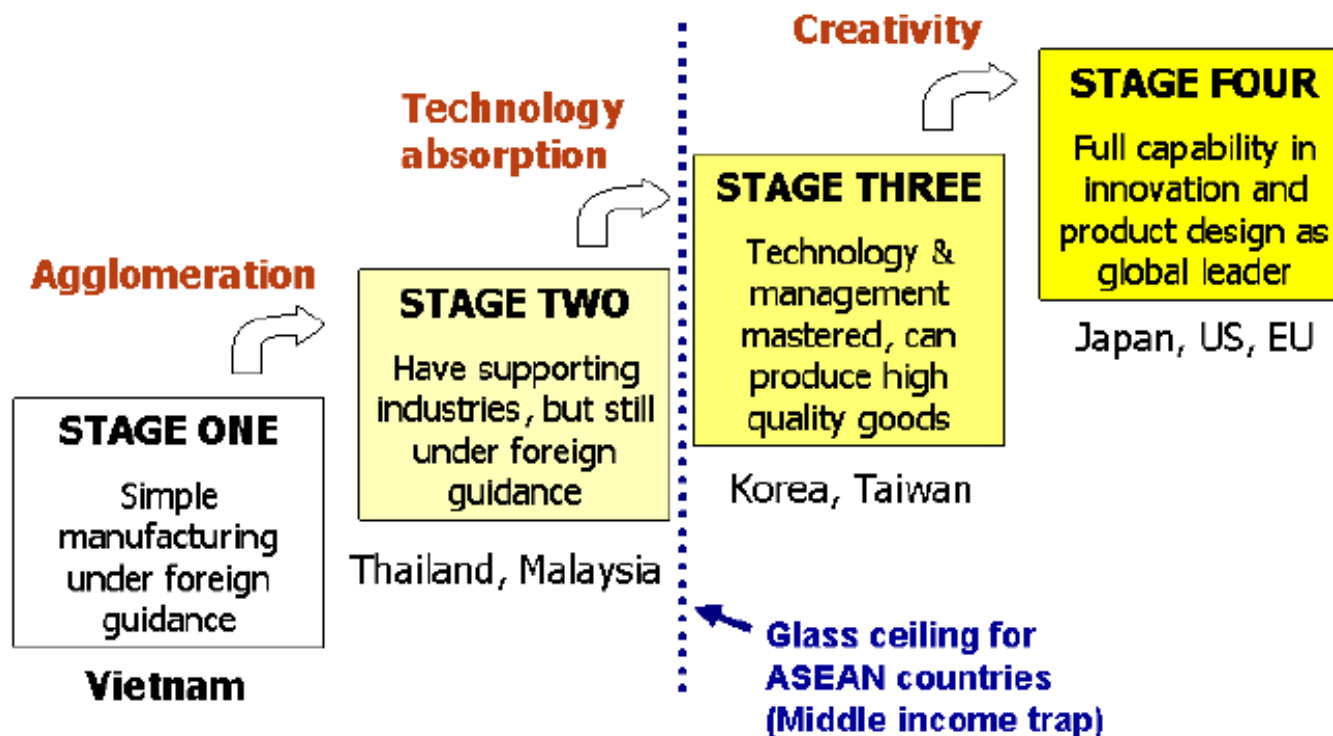
# Strategy on Economic Restructuring in the 10<sup>th</sup> Plan





# Justifications for the Reform

## “Stages of **Catching-up** Industrialization”



# POLICY-MAKING

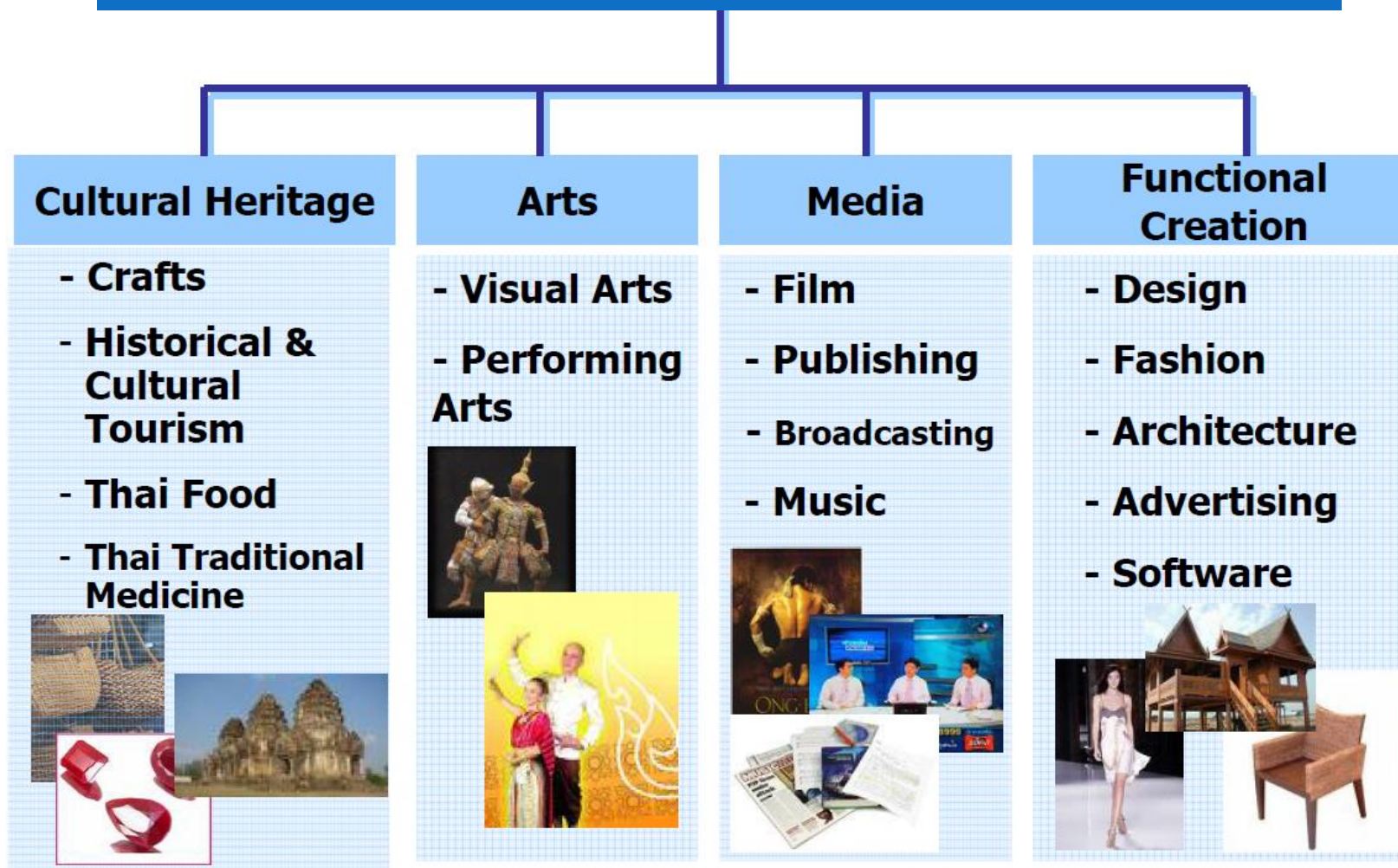
---

# Creative Economy

- is defined as an economic system that mixed
  - cultural assets,
  - local wisdom, and
  - the uniqueness of Thai
  - with proper knowledge and technology
  - in order to produce unique and diverse products and services.
- **Intrinsic economic value** will be added
- Creative industries:
  - industries which use Thai-ness, culture, heritage, local wisdom and technology for economic development

Source: NESDB

# Classification System for Thailand Creative Industry



# Thailand Competitiveness- Export of Cultural Goods



UNESCO Institute for Statistics, Cultural Goods include Heritage goods, Books, Newspapers and periodicals, Other printed matter, Recorded media, Visual arts, Audiovisual media, Equipment material and Other related cultural goods.

# Creative Economy

“The Royal Thai Government has adopted the Creative Economy (CE) concept in order to

- support the objectives of developing and nurturing the creative capacities and enhancing the **competitiveness** of the creative goods and services at national levels,
- increase the potential to **integrate** into the global economy and compete in world markets; and
- encourage **sustainable** non-polluting industries, a green economy.

# Creative Thailand Policy

2009

- PM Abhisit Vejjajiva announced a major initiative on the Creative Economy.

2010

- announced Creative Thailand with two policy goals and made 12 commitments under the Strong Thailand Stimulus Plan
- established the National Creative Economy Policy Committee

2011

- Set up Creative Economy Fund

2012

- the promotion of creative industries was officially included in the 11<sup>th</sup> NESDB Plan (2012-2016)

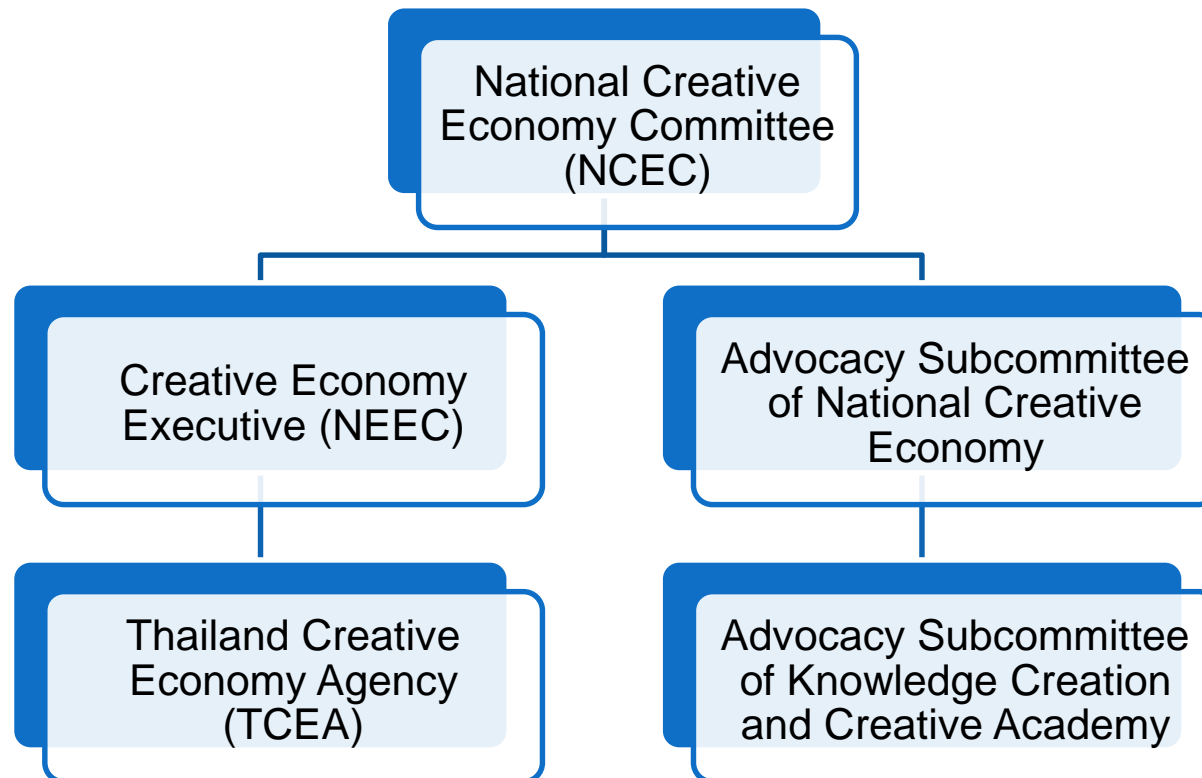
# Rule, order and cabinet resolution

- Regulation of the Office of the Prime Minister on
  - National Creative Economy Advocacy B.E.2553 (2010)
  - Creative Economy Fund B.E.2554 (2011)
- The Order of the Office of the Prime Minister
  - No.333/ 2553 (2010) Appoint committee and the experts for a National Creative Economy Committee (NCEC)
  - No.4/ 2554 (2011) Appoint Director General of the Department of Intellectual Property as the director of NCEC
- The Order of NCEC
  - 1/2553 (2010) Appoint a Creative Economy Executive Committee (NEEC)
  - 2/2553 (2010) Appoint a Advocacy Subcommittee of National Creative Economy



# Structure of Thailand's Creative Economy Policy Management

according to Regulation of the Office of the Prime Minister on National Creative Economy Committee Advocacy B.E.2553 (2010)



# National Creative Economy Committee (NCEC)

- Chaired by the Prime Minister
- Consist of 31 government representatives and advisers (include representatives from private sector)
- During 2010-2011, met 3 times
- Main function:
  - To propose policies to the cabinet
  - To coordinate, follow up and evaluate the plan.

# Thailand Creative Economy Agency (TCEA)

- An internal unit in the PM's secretariat
- Government official as its Director
- Main function:
  - To propose policies, measures and strategies to advocate creative economy policy to the NCEC.
  - To examine, analyze and suggest the potential project and budget
  - To develop production and marketing for the creative products
  - To monitor and evaluate the project
- Managed by a **Creative Economy Executive (NEEC)**
  - Consist of government representatives and 4 academics and experts

# Creative Economy in Thailand

- Objective:
  - To promote Thailand as a hub of creative industries in ASEAN
  - To increase the share of GDP contributed by creativity from 12% to 20% by the end of 2012.
- 12 Commitments under the Strong Thailand Stimulus Plan for
  - Creative Infrastructure (3 commitments)
  - Creative Education and HR (2 commitments)
  - Creative Society and Inspiration (3 commitments)
  - Creative Business Development and Investment (4 commitments)
- Key gov. actors: NESDB, M. of Commerce



# POLICY IMPLEMENTATION

---

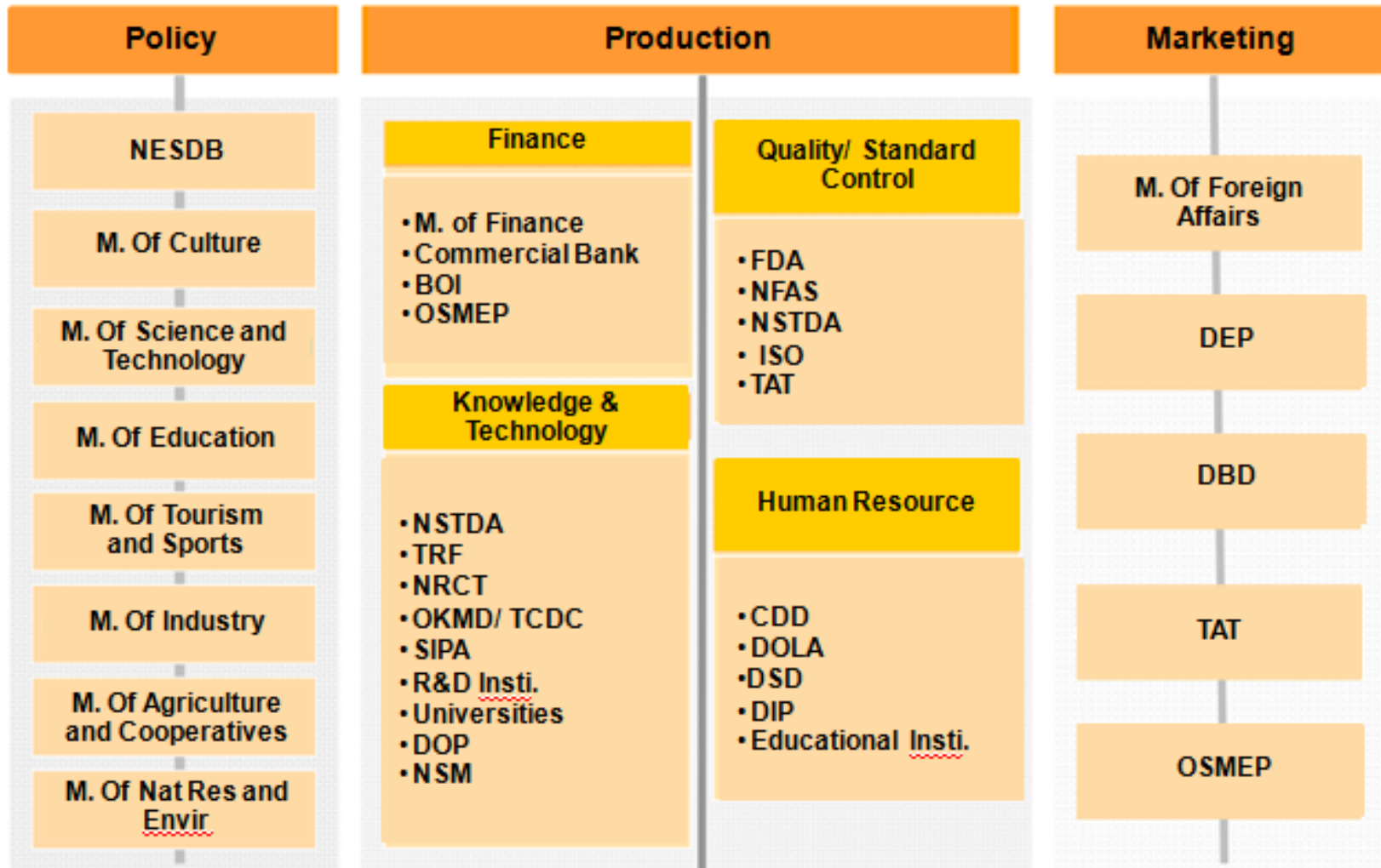
# Policy Implementation: Organization

- Responsible Organization: Thailand Creative Economy Agency (TCEA)
- under the PM's secretariat
- Some staffs from M. of Commerce, M. of ICT, M. of Culture and M. of Science and Technology and others
- Implementation: To examine, analyze and suggest the potential project and budget

# Policy Implementation

- Creative Economy Project is under the Strong Thailand Stimulus Plan 2012 with the budget of 20,000 million Baht
- Criteria for Creative Economy Project:
  - Support the 12 Commitments that the Gov. announced on 31 Aug 2010
  - Projects that strengthen the fundamental of the creative economy, increase employment, support investment, distribute income to the region and ready to operate in the budget year 2010.
- After 30 Aug 2010
  - Received the proposals from gov., private sector and fondation

# Creative Supporting Organizations in Thailand



Source: NESDB



# Examples of Supporting Organizations

- National Science and Technology Development Agency (NSTDA):
  - is the home of four national research centers: BIOTEC (Biotechnology), MTEC (Materials Technology), NECTEC (Electronics and Software), NANOTEC (Nanotechnology) and one technology management center (TMC).
- The Office of Knowledge Management and Development (OKMD)
  - legally endorsed by the Royal Thai Government,
  - was established on June 18th 2004
  - has seven specialized organizations (e.g. Thailand Knowledge Park and Thailand Creative and Design Center)
  - With key objective to trigger new ideas and inspire creativities.

# POLICY EVALUATION

---

# Budget for Creative Economy Project, approved in 2010

Project	Host	Total (million baht)
Royal Decree 1 (200,000 million baht)		
1. R&D for Food Innovation	Ministry of Science and Technology	50
2. Digital Media Asia 2010	Ministry of ICT	250
Royal Decree 2 (150,000 milliion baht)		
3. Creative Arts and Culture Festival	Ministry of Culture	55
4. Lanna World Heritage	Ministry of Culture	112.59
5. Ayutthaya World Heritage after the war	Ministry of Culture	141
6. Sukhothai Heritage	Ministry of Culture	15
7. Lighting for Kamphang Petch	Ministry of Culture	14
8. National movies	Ministry of Culture	200
9. Intellectual ground	Ministry of Culture	75
10. Thailand Food Forward	Ministry of Industry	100
11. SMEs promotion	Ministry of Industry	300
12. Gateway Renovation of Sukhothai	Ministry of Interior	28
13. Center for aquabiotics and wildlife	Ministry of Natural Resources and Envir	40
<b>Total</b>		<b>1,330.595</b>

# Recommendations from John Howkins

- Many issues need **specialist technical expertise**
- Government should take **an active role** in promoting the creative economy in the negotiations for the ASEAN Economic Union.
- An intensive program of **research** on market structure, added value, GDP and growth, and other issues.
- Shortage of research and data → a Steering Group (gov. + industry + researchers) should be appointed to ensure relevant **data is collected and analyzed.**
- Should have a review of the **classification** of creative industries and a new **Information Management System (IMS).**”

# Karndee Leopairote

	Creation		Production		Commercialization	
	Market assessment	Design	Resource	Capability	Distribution	Marketing
1. Craft						
2. Cultural Tourism						
3. Thai Food						
4. Thai Med						
5. Performing Arts						
6. Visual Arts						
7. Film						
8. Publishing						
9. Broadcasting						
10. Music						
11. Design						
12. Fashion						
13. Architect						
14. Advertising						
15. Software						

# Challenges for Thailand to Become a Creative Society

- No Clear Definition of “Creative Industry”
- Unclear Creative Thailand Policies
- Not all creative products have creative content
- LACK of a clear direction and Lack of the Co-ordinations among organizations to implement the policy
- Lack of and Discontinue Financial Support
- Thai businesses lack information on Creative Thailand Policies.

THANK YOU

---