

≈ SUMMARY ≈

**ENTREPRENEURSHIP POLICIES IN THAILAND: FOCUS, DIRECTION,
AND CRITICAL SUCCESS FACTORS***Thanaphol Virasa**College of Management, Mahidol University***Global Entrepreneurship Monitor**

Entrepreneurship-oriented policies are beginning to appear in economic policy statements in many countries as highlighted in Stevenson and Lundstorm (2001). That said, very little research has been done to examine what governments are actually doing to move towards an entrepreneurship policy perspective and how this is being carried out. This current study attempts to examine entrepreneurship policies and practices in Thailand by using international benchmarking study and GEM Thailand 2002 and 2005 studies. The primary data is gathered from face-to-face interviews with government officials about their entrepreneurship policies and practices. The data collection includes an examination of government economic and social policy documents, SME/entrepreneurship programs, and policy or program evaluation results.

Findings from an international benchmarking study of entrepreneurial activity suggest that a key role for governments is to stimulate cultural or social capital and thereby create the appropriate institutional framework at the country level to stimulate the supply side of entrepreneurship (Wennekers and Thurik, 2001). At the same time, governments should focus effort on creating a culture that develops a capacity within the population to recognize and pursue opportunity (GEM, 2000). A government should therefore design and create policies and programs specifically targeted at the entrepreneurial sector. Also of importance is to increase the overall education level of the population, specifically ensuring that entrepreneurship training is readily accessible to develop the skills and capabilities to start a business.

The review by National Economic and Social Development Board (2005) on economic policy in Thailand shows that the Thai government has the vision to become a knowledge-based society through entrepreneurship and innovation by 2010. However, this same review clearly shows that the Thai government has shifted its policy standpoint from competition policy towards a new approach which focuses on building platforms for multiple industries and enabling the creation and commercialization of local knowledge. That is, although stated policy encourages innovation and new firm start-ups, entrepreneurship policy is still not a distinct policy domain at national level. There is not any statement or measurement in term of entrepreneurial development in the government policy evaluation. A number of issues are evident that may detract from the intended success of these policies. Firstly, it remains unclear how entrepreneurship and SME agendas relate to each other. Secondly, in participating institutions managerial arrangements appear disorganized and fragmented. Thirdly, measures to support entrepreneurship activity at the grass roots levels seem not well-thought through, and lack a sound underpinning, for example through concerted research into entrepreneurship.

The GEM Thailand studies in 2002 and 2005 point out that the three most important entrepreneurial factor conditions influencing the level of entrepreneurial activity in Thailand are: social and cultural norms, education and training, and government policies. The entrepreneurial

spirit of Thai people, influenced by the extant social mores and culture, seems to be higher than other newly industrialized countries (NICs) in East Asia. It seems clear that early-stage entrepreneurial activity should focus on ways to encourage new firm start-ups. However, existing measures place emphasis more on the importance of established firms than the early-stage entrepreneurial activity.

Findings from this study suggest that it is necessary for the Thai government to shape entrepreneurial values in the culture. The key role of government in developing entrepreneurial society is to shape positive attitudes towards entrepreneurship by introducing entrepreneurship elements in the education and training system and in the media. It is also necessary for the government to reduce bottlenecks in the development and financing in the early-stage entrepreneurial activity, encourage new firm start-ups from university and government research laboratories, create new stock market listings for new firm start-ups, and promote entrepreneurship in strategic industry clusters. Institutional arrangement and practice is an important aspect to be addressed and integrated at national level.

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