Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy

Viritpol Ponark [a] * | Kulapa Kuldilok [b]

[a] Department of Industrial Design, Faculty of Architecture, Chulalongkorn University.
[b] Department of Agricultural and Resource Economics, Faculty of Economics, Kasetsart University.
* Corresponding author: viritpol.po@gmail.com

ABSTRACT

This research examined how macro-level government resource allocations within Thailand's creative economy impacted the micro-level strategic and operational capacity of design practitioners. Utilizing qualitative thematic analysis of interviews with government agencies (CEA, DITP, BOI, DIP) and private-sector designers in Bangkok, the study identified a critical disconnect driven by three systemic barriers: incomprehensive support, strategic misalignment, and institutional fragmentation. Findings revealed that while the government initiatives prioritized entrepreneurial growth, they frequently failed to champion design as a strategic asset. Local clients treated design as a simple commodity, leading to widespread design devaluation and ignored intellectual property (IP) royalties. Combined with heavy administrative burdens, these constraints forced design SMEs into precarious project-based management and severe financial strain. This fragmented policy environment actively dismantled the practitioners' capacity to act as strategic gatekeepers of cross-industry innovation. The study concluded that policymakers must shift toward providing foundational economic safeguards and fostering a broader social appreciation for IP to protect the strategic value of design. Future studies should investigate these policy-practice dynamics across diverse national contexts in the Global South.

Keywords: Creative Economy, Strategic Misalignment, Institutional Fragmentation, Design Management, Global South.

INTRODUCTION

The creative economy has potential in the national economic improvement (Leelawattanapan et al., 2012; Štreimikienė et al., 2020). People utilize their creativity to generate economic value from the integration of tangible and intangible assets. This consequent has contributed to maximizing capitals within industries (Boğa et al., 2020; Dewi et al., 2023). Morvemore, creativity potentially create the greater value of resources helping people to minimize resource in the production line (Štreimikienė et al., 2020).Therefore, several nations highlighted the importance of the creative economy in driven national growth as a sustainable approach.

Creative industries struggled to fit traditional economic models as it was marked by innovation and reliance on intangible assets (Loots et al., 2023). It mostly depended on individual talent and project-based work further complicates its operations (Pfeifer et al., n.d.). Boğa et al., 2020 suggested that measuring the creative economy has been complex due to the intangible nature of its outputs, lack of standardized classification, and interconnectedness with other sectors. At the local level, misunderstanding of creative economy principle of the government was constraint limiting the conductive of creative SMEs development (Rosyadi et al., 2022). Additionally, significant challenges arose in balancing wealth creation with social and environmental exploitation, particularly when economic gains worsened existing inequalities and intellectual property rights remained insufficiently protected (Boğa et al., 2020).

However, design studios within this industry faced substantial business management constraints. They were heavily influenced by external dynamics, including customer relationships, intellectual capital, and creativity because most design studios operate as Small and Medium Enterprises (SMEs) (Pfeifer et al., n.d.). While balancing creative independence with financial viability remained a major hurdle (Salder, 2021), as quantifying economic value and obtaining funding often forced creators to compromise their artistic integrity (Boğa et al., 2020). The nature of this sector demanded a strong reliance on intangible assets and deeply established client relationships (Lukianenko et al., n.d.).

The creative economy of Thailand, as developing countries, has been promoted to reconstruct the national economy by adopting the Thailand 4.0 policy (Puriwat et al., 2020). The characteristic of Thai creative economy was the combination of innovation and cultural heritage, emphasizing high-value creation through commercially driven artistic expressions (Danuporn Ariyasajjakorn 2013, n.d.). Sector, likes cultural tourism, Thai cuisine, advertising, fashion, and design, significantly contributed to the country's GDP (Chaiboonsri, 2024; Khunarsa et al., n.d.). While the pure art sector held cultural significance, it contributed to less economic impact (Danuporn Ariyasajjakorn 2013, n.d.).

Although researchers widely acknowledged the economic promise of the creative sector (Leelawattanapan et al., 2012; Štreimikienė et al., 2020), they also noted the persistent challenge of reconciling artistic expression with financial sustainability (Salder, 2021). Firms in this field depended heavily on intellectual capital, innovation, and robust client networks (Pfeifer et al., n.d.; Lukianenko et al., n.d.). However, design literature lacked a comprehensive investigation into how creative economic development policy impacted micro-level design management and working conditions. This study addresses this gap by analyzing participants' perceptions and reported experiences of how systemic policy environments affect the operational models, practices, and strategic value of design studios. By exposing the disconnect between government initiatives and the experiences of practitioners in Thailand, this research contributed to the field by demonstrating how these reported interactions with policy reveal the key operational and labour constraints confronting on design studios within developing economies.

Ponark, V., Kuldilok, K. (2026). Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy. *Strategic Design Research Journal. Volume 19*, number 01, January - June 2026. 91-103. DOI: 10.4013/sdrj.2026.191.07.

1. LITERATURE REVIEW

1.1. Creative Economy in Developing Nations and Thailand

The Creative Economy (CE) introduced as a developmental strategy by Howkins (2001) focuses on leveraging intellectual property and cultural dimensions to generate economic value and improve quality of life. Unlike traditional manufacturing, the creative industry drives growth primarily through intangible resources, where design practitioners utilize novel cognitive processes to generate commercially viable products and services (Boğa & Topcu, 2020; Pavliuk, 2023).

In developing nations like Indonesia, Malaysia, and Ghana, the creative economy offers alternative pathways to economic modernization and employment generation (Fahmi et al., 2016). However, execution is frequently stymied by highly inconsistent innovation pipelines and a heavy reliance on informal networks to sustain market momentum (Syafri et al., 2023; Mensah, 2025). These fragile operational environments are structurally constrained by chronic underfunding, weak governance, a persistent digital divide that isolates rural creators, and severe legal friction when individualistic, Western-centric Intellectual Property (IP) regimes are superimposed onto local, collective practices (Escaith, 2022; Fahmi et al., 2016; Mensah, 2025). This misalignment leaves local stakeholders with low copyright literacy and highly precarious working conditions.

Thailand implemented the Thailand 4.0 initiative alongside targeted soft-power strategies (Puriwat & Tripopsakul, 2020). This dual framework seeks to transition the economy toward high-value innovation, successfully bolstering startup performance, business innovation, and global creative goods exports (Potjanajaruwit, 2019; Puriwat & Hoonsopon, 2020; CEA, n.d.). Today, cultural sectors like design make a substantial contribution to national GDP (Chaiboonsri, 2024; Khunarsa et al., n.d.). Specifically, Thailand's design landscape is populated primarily by micro-SMEs: as of 2020, the country had 16,622 design graduates and approximately 292 formal design firms, generating 1.6 billion baht in revenue (projected to reach 1.7 billion in 2021). Within this landscape, practitioners navigate a highly volatile range of employment structures, from corporate in-house positions to highly precarious independent freelancing (CEA, 2022).

1.2. Strategic Design and Studio Management

Contemporary design studios operate as strategic consultants that bridge client needs with manufacturing and production capacities beyond the production of mere aesthetic objects (Hakatie & Ryynänen, 2006). Design practitioners act as essential gatekeepers of innovation across firm boundaries, facilitating cross-industry knowledge transfer, symbolic capital cultivation, and multi-stakeholder collaboration (Filippetti, 2016; Hakatie & Ryynänen, 2006; Loots & van Bennekom, 2023). To manage operational volatility, mitigate resource uncertainties, and streamline cost estimations, these studios, which predominantly exist as small and medium enterprises (SMEs), rely heavily on project-based management frameworks (Pfeifer et al., n.d.; Stoll, 1999).

However, this project-based model inherently locks practitioners into a precarious, ongoing negotiation between preserving creative integrity, managing resource volatility, and securing long-term commercial viability (Beckwith, n.d.). Because long-term market survival in this volatile environment is deeply contingent upon client trust, reputation, and relational networks, these micro-level operational frictions directly shape the industry's overall capacity (Loots & van Bennekom, 2023). Consequently, while macro-level creative economy policies in developing nations aim to leverage design for national growth (Boğa & Topcu, 2020), their success remains highly contingent upon the complex, day-to-day managerial and operational realities of these fragile micro-studios (Fahmi et al., 2016; Mensah, 2025).

2. RESEARCH DESIGN

This study used a qualitative research methodology to examine the current situation of design studio, using Bangkok, Thailand. Four respondents were representatives of the government, 15 design managers, and 30 salaried designers. The four key players from the government were purposive selected as shown in Table 1.

Table 1: Key informants.

Agencies	Roles	Code
Creative Economy Agency	facilitator, connector, and policy advocate in supporting people, business development, and creative area revitalization.	CEA
Department of International Trade Promotion	promoting value creation through design, innovation and branding support, elevating Thai businesses and products on the global stage.	DITP
The Board of Investment Office	offering incentives like tax breaks and landownership (for some foreign investors) to reduce business costs. acting as a platform for providing support services to investors and collaborated with other agencies.	BOI
Department of Intellectual Property	contributing services in intellectual property right protection. offering consultations and helping businesses expand their IP protection internationally.	DIP

Note: Field research conducted in 2024.

The study used snowball sampling to recruit fifteen design managers and thirty salaried designers, all with at least five years of experience. They were product and communication designers. Designers were coded by D followed by numbers, and gender (D number-gender). For example, D1-f referred to the first female designers. While design studio managers were coded by DM followed by numbers and gender (DM number-gender). For example, DM2-m referred to the second male design manager.

2.1. Data Collection

The semi-structured interview guide was developed to investigate how top-down developmental policies affect micro-level studio capacities. The core inquiry was operationalized across five theoretical pillars established in the literature review: macro-level creative economy policy alignment, institutional fragmentation, strategic design management, intellectual property (IP) realization, and creative labor precarity. The study translated these core frameworks into tailored discussion themes for each stakeholder group. Government representatives were asked about inter-agency coordination and funding distribution to assess macro-level bureaucratic friction; design managers were questioned about project-based cash flow, local client negotiations, and state program accessibility to explore micro-level operational volatility; and salaried designers were interviewed regarding compensation and career ceilings to examine individual-level labor vulnerabilities. The group-specific inquiries ensured that our qualitative questions directly targeted the structural disconnect between state-level aspirations and the actual lived struggles and double workload realities confronting Thai practitioners.

2.2. Data Analysis

Data analysis followed Braun and Clarke's (2012) six-phase thematic analysis framework. All 45 audio recordings were transcribed verbatim, followed by close readings to achieve deep data familiarization and generate preliminary insights. Next, the study applied open codes across the entire dataset, which were subsequently collated into broader candidate themes.

Ponark, V., Kuldilok, K. (2026). Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy. *Strategic Design Research Journal. Volume 19*, number 01, January - June 2026. 91-103. DOI: 10.4013/sdrj.2026.191.07.

These themes were iteratively reviewed and refined against the raw transcripts to ensure descriptive accuracy. Finally, the thematic structure was defined and finalized to map the structural disconnect between top-down state ambitions and the micro-level operational precarity of design practitioners.

3. RESULT

3.1. Government Policy and Resource Allocation

Thailand's creative economy integrates innovation and cultural heritage across eleven key sectors such as software, fashion, and design, and identity-based commercialization. To elevate these industries globally, four primary state agencies, including the Creative Economy Agency (CEA), Department of International Trade Promotion (DITP), Board of Investment (BOI), and Department of Intellectual Property (DIP), allocate developmental resources across business, marketing, and human resources.

Business development programs focus on product refinement, investment support, and IP protection. As a central facilitator, the CEA bridges design practitioners and commercial stakeholders through matching initiatives like the Change X 2 program. Concurrently, the BOI offers operational cost-reduction incentives, including tax breaks and landownership privileges, while the DIP promotes intellectual asset management through campus partnerships and dedicated IP service units.

To expand market reach, these agencies collectively coordinate business matching, trade fairs, and landmark promotional events. Key initiatives include the DITP's D Mark award (aligned with international G Mark standards) and exhibitions at Milan Design Week, alongside capacity-building programs like the DITP's Talent Thai initiative and BOI-sponsored SME training designed to scale emerging design enterprises. DM-01 mentioned:

> Self-funding an exhibition booth, shipping, and travel to Milan Design Week would have been financially impossible. Being selected for Talent Thai and receiving the D Mark award gave us an immediate trust signal. When international buyers see you under the official national pavilion, it eliminates skepticism about quality and reliability, which directly converted into overseas commercial inquiries.

Indeed, several design managers reported highly positive experiences with these state initiatives, highlighting how they served as critical catalysts for market visibility and business growth. Participants emphasized that programs like the DITP's *Talent Thai* and the *D Mark* award provided their studios with essential credibility, acting as trust signals for local and international clients. For example, design managers noted that being featured in government-sponsored pavilions at prestigious international forums, such as Milan Design Week, offered them invaluable exposure that their small teams could never have financed independently. Furthermore, participants commended the CEA's *Change X 2* matching program, noting that it successfully bridged the gap between design practitioners and local entrepreneurs, resulting in concrete business relationships and diversified commercial opportunities.

While these positive accounts demonstrate the high value of these initiatives for established firms, other participants—particularly salaried and emerging designers—perceived that these opportunities were structurally inaccessible to the wider workforce. Respondents emphasized that these institutional allocations were not inclusive. D3-f pointed out:

> If you look at government trade fairs, they always seem to highlight the same established agencies. For some designers, it feels like an exclusive club with a closed door. We are completely cut off from the visibility, networking, and funding we need to actually scale.

Participants perceived that government initiatives heavily favored larger agencies, established firms, and high-profile events. This approach effectively marginalized the broader design workforce, leaving significantly less room for emerging talent and practitioners outside of major cities to display their work, gain recognition, or access necessary funding.

3.2. Operational Realities of Design SMEs

Thai design studios typically operate as micro-SMEs of one to five designers, relying heavily on intangible assets, intellectual capital, and strong customer relationships to survive (Lukianenko et al., n.d.; Pfeifer et al., n.d.). This minimal staffing forces a project-based management approach characterized by highly volatile project lifecycles (spanning three months to three years), which frequently causes operational overload. Demonstrating this operational friction, participant D2-M noted that urgent tasks from the marketing team within client companies often interrupt long-term projects, making planning and time management difficult.

While building client trust is vital for securing contract renewals and driving word-of-mouth referrals to enter new markets (Stang Våland et al., 2021), findings reveal a widespread devaluation of design among local clients, who treat it as a basic commodity rather than a strategic asset. This perceptual gap triggers ongoing friction regarding project scope, technical feasibility, and scheduling; as participant D6-F highlighted, clients often harbor impractical expectations and lack awareness of manufacturing constraints. This devaluation severely undermines financial viability and stymies attempts to establish IP royalty fee structures due to a persistent lack of client awareness and professional accountability. Participant DM4-f argued:

> Unlike foreign clients who consistently honoured contractual obligations and paid royalties, Thai clients often ignored their IP agreements. This discrepancy underscores a pervasive local systemic devaluation of intellectual property rights within the design sector.

This highlighted a sharp disparity in the appreciation of intellectual property value between the Thai and international markets.

Moreover, salaried designers experienced insufficient income relative to their excessive project workloads. This persistent problem led many practitioners to feel that there was limited potential for salary growth or long-term career advancement within Thailand's design field. This severe financial strain forced practitioners to constantly supplement their minimal earnings through independent freelancing, resulting in a precarious double workload. D5-M mentioned:

> My full-time job pays for my basic rent, but that's it. To actually survive and save anything, I have to take on two or three freelance gigs on the side. I finish my office hours at 6 PM and then start my second shift at home until 2 AM. It's exhausting, but I don't have a choice.

The findings exposed a critical vulnerability in Thailand's design field, characterized by low-income ceilings and excessive workloads. The narrative of D5-M illustrated how this financial inadequacy forced designers into a dual-workload paradigm, consuming their personal time to secure baseline survival. This systemic precarity dampened expectations for long-term career advancement and highlights a pressing need to re-evaluate how design labour was valued and compensated in the local market.

3.3. Limitations of Support Allocation

The findings revealed a stark contrast between top-down institutional ambitions and bottom-up operational realities, while the study acknowledged the significant collective efforts of government agencies in fostering Thailand's creative sectors. The research identified three critical systemic barriers that prevented these macro-level policies from effectively supporting the strategic realities of design SMEs including incomprehensive support, strategic misalignment, and institutional fragmentation.

3.4. Incomprehensive support

The economic and creative foundations provided by the state were insufficient to sustain a thriving design sector. Yet institutional support primarily focused on entrepreneurial promotion and knowledge allocation. For instance, representatives from the CEA explicitly acknowledged that there were limited physical spaces and infrastructures available in Thailand for designers to adequately explore or investigate their creativity. At the same time, many salaried designers highlighted essential structural support, such as basic social welfare, creative infrastructures, and sustainable revenue models remained largely overlooked by state initiatives. The absence of this foundational support forced practitioners into financial survival mode. Participant D11-m stated,

> "I'm forced to freelance on the side because my salary doesn't cover my living expenses. Beyond the financial struggle, doing high-quality creative work requires an inspiring and supportive environment that requires expenditure."

Government support programs primarily prioritized entrepreneurial training, business matching, and large-scale trade fairs, effectively excluding most creative practitioners who operate as salaried employees. This institutional preference for established agencies and high-profile events created a significant barrier to entry, leaving emerging talents with limited avenues for creative visibility, industry recognition, or financial backing. This incomprehensive support also extended to sectoral and geographical exclusions. Some practitioners felt that the government disproportionately focused its resources on a limited number of industries, such as food and entertainment, while neglecting other potentially valuable sub-sectors within the design and creative economy.

Additionally, state support was heavily concentrated in major cities, leaving rural practitioners without a safety net. Representatives from the BOI acknowledged this gap, noting that providing access and support to individuals in remote areas was highly difficult due to geographical limitations and a stark lack of local infrastructures. This narrow focus prevented development initiatives from inclusively reaching their intended beneficiaries and failed to address the underlying economic foundations of the industry.

3.5. Strategic misalignment

While state agencies attributed low program engagement to informational barriers, such as designers lacking awareness of BOI investment programs or DIP intellectual property mechanism, practitioner insights revealed a deeper structural misalignment. Private-sector

Ponark, V., Kuldilok, K. (2026). Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy. *Strategic Design Research Journal. Volume 19*, number 01, January - June 2026. 91-103. DOI: 10.4013/sdrj.2026.191.07.

respondents argued that rigid state support structures failed to align with the fast-paced, relationship-driven realities of micro-SMEs. Applying for subsidies or participating in state programs imposed prohibitive transaction costs, including excessive administrative labor, long timelines, and hidden participation fees, that overmatched the capacity of precarious, double-workload design teams.

Furthermore, formal promotional initiatives like state-sponsored trade fairs mismatched the informal, referral-driven networks studios relied on for survival. As participant DM4-M explained, government matching events yielded no tangible business benefits because his/her studio acquired clients through direct referrals, trust, and established symbolic capital. The primary barrier to engagement is not an informational deficit, but a fundamental policy mismatch between rigid, bureaucratic program designs and the agile, relational realities of local design studios.

3.6. Institutional fragmentation

Insufficient funding and the complexities of inter-agency collaboration served as drivers of operational delays and administrative friction, further widening the gap between macro-level policy and micro-level practice. Findings indicated that many government agencies operated with insufficient budgets and highly limited workforces, which severely restricted their ability to implement large-scale, or systemic support to design businesses. The DIP highlighted this structural limitation, noting that "ensuring the quality and thoroughness of the examination process can sometimes lead to delays due to this restriction since we had limited number of officers". Within the context of design SMEs, this delay was critical; because practitioners relied heavily on formal intellectual property protections to elevate their work from a simple commodity to a strategic asset, these bureaucratic bottlenecks left them vulnerable to exploitation and exacerbated their financial precariousness.

Differing institutional priorities, potential overlaps in responsibilities, and rigid bureaucratic hurdles created significant obstacles to inter-agency collaboration. While the state utilized four primary agencies (CEA, DITP, BOI, and DIP) to drive the creative economy, findings revealed that these bodies frequently operated in administrative silos. The CEA emphasized that differences in departmental working styles, conflicting regulations, and diverse stakeholder demands actively hindered the implementation of cohesive creative initiatives. For example, while one agency might successfully promote international marketing opportunities, another agency's delayed regulatory processes could prevent a designer from capitalizing on that market access.

To resolve these systemic inefficiencies, the CEA suggested the critical need for a centralized entity or leadership body possessing the influence and authority to align diverse institutional stakeholders toward a unified strategic goal. This finding strongly aligned with the broader challenges often identified within the Global South, where fragile governance, chronic underfunding, and systemic hurdles frequently stifled the growth of creative sectors (Mensah, 2025). TCDC (n.d.) pointed out, this institutional fragmentation bred inconsistent policies, inadequate data management, and weak intellectual property protection. The study demonstrated that these rigid, fragmented state structures were fundamentally unequipped to support the agile, precarious, and fast-paced operational realities of micro-level design studios.

Ponark, V., Kuldilok, K. (2026). Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy. *Strategic Design Research Journal. Volume 19*, number 01, January - June 2026. 91-103. DOI: 10.4013/sdrj.2026.191.07.

4. DISCUSSION

By analyzing the intersection of state resource allocation and the daily operations of Thai design studios, this research introduces a Macro-Micro Analytical Framework that conceptualizes how top-down policies focusing on final aesthetic outputs actively degrade upstream creative capacity. We demonstrate that when the state promotes design outward but ignores the foundational legal and economic safeguards at the micro-level, it locks practitioners into a precarious double-workload freelancing paradigm.

This article teaches us what prior creative economy literature has overlooked: that macro-level creative growth is structurally capped by the unsupportive micro-level labor realities of local design studios. Specifically, we show that top-down policies focusing on final aesthetic promotion without securing foundational economic and legal safeguards—such as IP royalty enforcement—actively degrade the very capacity of designers to function as strategic gatekeepers of innovation. This teaches us that creative capacity is not an infinite, self-sustaining resource of individual talent, but an institutional asset that rapidly depletes when practitioners are forced into a survival-driven 'double-workload' freelancing paradigm.

Table 2: Synthesis of Macro-Level Policies vs. Micro-Level Design Realities in Thailand.

	Micro-Level Reality	Macro-Level Institutional Policy / Practice	Resulting Systemic Impact
The Collapse of Strategic Gatekeeping & Design Devaluation	• Thai clients treat design as a basic commodity. • Widespread refusal to honor IP royalty agreements.	• Support is incomprehensive. • Focuses on promoting final aesthetic products at trade fairs rather than the intellectual process.	• Destroys designers' ability to act as strategic gatekeepers of innovation. • Reduces strategic value to mere aesthetic execution
Project-Based Precariousness & The Double Workload	• Designers suffer from insufficient salaries. • Forced into a precarious "double workload" through secondary freelancing.	• Imposition of heavy administrative burdens. • Absence of foundational social welfare safety nets.	• Drives micro-SME operations toward operational failure. • Prevents investment in knowledge, technology, and skills. • Undermines high-value innovation capacity.
Systemic Constraints & Institutional Fragmentation	• Micro-SMEs struggle to align project-based cycles with state timelines. • Face operational friction and weak local IP protection.	• Rigid, inflexible bureaucratic structures. • Inadequate budgets and a lack of inter-agency coordination.	• Exacerbates inconsistent public policies. • Demonstrates structural inability of rigid state institutions to support a fragile, dynamic creative ecosystem.

Note: field research conducted in 2026.

4.1. The Collapse of Strategic Gatekeeping and Design Devaluation

While theoretical frameworks position design studios as strategic consultants capable of driving cross-industry innovation (Filippetti et al., 2016; Hakatie & Ryynänen, 2006) , our findings demonstrate that this strategic gatekeeping capacity collapses under the weight of local market dynamics. This collapse is driven by a deep-seated devaluation of design, where local clients treat design services as basic commodities rather than intellectual capital assets. This devaluation is structurally reinforced by the state's policy focus, which prioritizes the marketing of final aesthetic products at trade fairs while ignoring the upstream intellectual processes and contract enforcement necessary to protect creative work. By failing to cultivate broader market appreciation for intellectual property (IP), current policies lock design studios into a strategic commodity trap, reducing their role from strategic consultants to simple aesthetic executors.

4.2. Project-Based Precariousness and the Double Workload

The systemic devaluation of design directly translates into labor precarity, characterized by low-salary ceilings for designers and an operational reliance on project-based management. To survive, designers are forced into a double workload paradigm, running exhausting independent freelancing shifts. This socio-economic vulnerability undermines the core goals of the Thailand 4.0 policy. When creative workers must dedicate their personal recovery time to securing baseline survival, their capacity to invest in long-term skill acquisition, explore emerging technologies, and generate high-value innovation is severely diminished. Labor precarity thus acts as a structural bottleneck, actively eroding the human capital foundation required to sustain a creative economy.

4.3. Systemic Constraints and Institutional Fragmentation

Findings highlight a severe structural mismatch between the rigid, fragmented timelines of state apparatuses and the agile, relationship-driven business models of design micro-SMEs. The institutional fragmentation observed between the CEA, DITP, BOI, and DIP results in overlapping responsibilities, slow regulatory processes, and administrative silos. This misalignment aligns with warnings in creative economy literature regarding fragile governance and weak institutional infrastructures in developing nations. Rather than supporting studios, the heavy administrative burdens of state programs actively exclude the precarious design workforce, as the transaction costs of participation outweigh the potential benefits for micro-teams. Consequently, the success of creative economy policies is structurally limited not by design talent, but by the state's inability to provide cohesive, accessible legal and operational infrastructures.

While this research provided critical insights into the intersection of macro-level policies and micro-level design operations, several limitations must be acknowledged. First, the study was geographically restricted to Bangkok. The findings may not fully represent the operational realities of design practitioners in rural or remote areas, where government support and digital connectivity are significantly more limited. Second, the reliance on snowball sampling to recruit the 45 participants (design managers and salaried designers) may have introduced network bias, potentially limiting the diversity of perspectives across different design sub-sectors. Finally, while the qualitative thematic analysis successfully captured deep, nuanced operational constraints, the findings were fundamentally interpretive and cannot be statistically generalized across the entire Thai creative economy.

5. CONCLUSION

This study examined the systemic disconnect between macro-level creative policies and the micro-level operational realities of design practitioners in Thailand. We demonstrate that top-down promotional initiatives and institutional fragmentation marginalize the very designers expected to drive innovation. Due to rigid administrative frameworks and a lack of upstream advocacy, local design studios face severe operational precarity, persistent design devaluation, and unhonored intellectual property (IP) royalties, which collectively dismantle their capacity to act as strategic innovation gatekeepers.

Our findings show that cultivating a sustainable creative economy in the Global South cannot rely on uncritically adopting Western-centric entrepreneurial frameworks without robust local labor and legal protections. By demonstrating how top-down marketing initiatives

Ponark, V., Kuldilok, K. (2026). Institutional Fragmentation and the Operational Realities of Design Studios in Thailand's Creative Economy. *Strategic Design Research Journal. Volume 19*, number 01, January - June 2026. 91-103. DOI: 10.4013/sdrj.2026.191.07.

actively destabilize micro-level studio capacities when basic socio-economic safeguards are absent, this research offers a critical cautionary blueprint for other emerging economies.

The study showed that top-down developmental programs focusing on external marketing while leaving creative labor unprotected actively cannibalize the upstream innovation systems they seek to build. This challenges the conventional belief that creative economy failures in the Global South stem solely from funding scarcity or digital divides. Instead, the study show that entrepreneurial policies generate systemic labor precarity without foundational structural safeguards. Consequently, the study urges scholars and policymakers to re-theorize creative capacity—moving away from viewing it as an individual, marketable trait, toward recognizing it as an institutional and structural asset requiring legal and economic insulation.

ACKNOWLEDGMENTS

This research was funded by Kasetsart University Research and Development Institute (KURDI).

REFERENCES

Appleton, P. (2011). How does economic recession affect the role of the designer? *Design Management Journal,* 6(1): 68-78. DOI: https://doi.org/10.1111/j.1948-7177.2011.00028.x.

Best, K., Kootstra, G., & Murphy, D. (2010). Design management and business in Europe: A closer look. *Design Management Review,* 21(2): 26-35. DOI: https://doi.org/10.1111/j.1948-7169.2010.00062.x.

Boğa, S., & Topcu, M. (2020). Creative economy: A literature review on relational dimensions, challanges, and policy implications. *ECONOMICS – Innovative and Economics Research Journal,* 8(2): 149-169. DOI: https://doi.org/10.2478/eoik-2020-0014.

Borja de Mozota, B., & Wolff, F. (2019). Forty years of research in design management: A review of literature and directions for the future. *Strategic Design Research Journal,* 12(1): 4-26. DOI: 10.4013/sdrj.2019.121.02.

Bourdieu, P. (1984). *Distinction: A social critique of the judgement of taste.* Cambridge, MA: Harvard University Press.

Braun, V., & Clarke, V. (2012). Thematic analysis. In H. Cooper, P. M. Camic, D. L. Long, A. T. Panter, D. Rindskopf, & K. J. Sher (Eds.), *APA handbook of research methods in psychology, Vol. 2: Research designs: Quantitative, qualitative, neuropsychological, and biological* (pp. 57-71). Washington, DC: American Psychological Association. DOI: 10.1037/13620-004.

Chaiboonsri, C. (2024). The potential analytical impact of significant sectoral creative economy on Thailand's economy: A case study of the IRS-CGE model vs. the CRS-CGE model for both the national and provincial economies. *Economies,* 12(2): 44. DOI: https://doi.org/10.3390/economies12020044.

Cho, E. J. (2017). Collaborating with local administrative offices to improve neighborhoods: A case study of the Design Consultant program. *Strategic Design Research Journal,* 10(2): 172-177. DOI: 10.4013/sdrj.2017.102.10.

Comunian, R., England, L., & Hracs, B. J. (2021). Cultural intermediaries revisited: Lessons from Cape Town, Lagos and Nairobi. In B. J. Hracs, T. Brydges, T. Haisch, A. Hauge, J. Jansson, & J. Sjöholm (Eds.), Culture, creativity and economy: Collaborative practices, value creation and spaces of creativity (pp. 109-123). London, UK: Routledge. DOI: 10.4324/9781003197065-9.

Creative Economy Agency. (2022). Thailand's creative industries movement report 2022. Retrieved [09/13/2026], from https://www.cea.or.th/en/single-research/Thailand-Creative-Industries-Movement-Report-2022.

Davies, A. (2021). COVID-19 and ICT-supported remote working: Opportunities for rural economies. World, 2(1): 139-152. DOI: https://doi.org/10.3390/world2010010.

Davies, M. (2009). Service quality tolerance in creative business service relationships. The Service Industries Journal, 29(1): 91-110. DOI: https://doi.org/10.1080/02642060802134720.

De Beukelaer, C. (2017). Toward an 'African' take on the cultural and creative industries? Media, Culture & Society, 39(4): 582-591. DOI: https://doi.org/10.1177/0163443716664856.

Dewi, R. K., & Santoso, S. (2023). A comprehensive analysis of the creative economy's value addition in Lebak Regency, Indonesia. International Journal of Research in Business and Social Science (2147-4478), 12(6): 176-188. DOI: 10.20525/ijrbs.v12i6.2833.

Dong, Y., & Zhu, S. (2023). Gender differences in creative design education: Analysis of individual creativity and artefact perception in the first-year design studio. International Journal of Technology and Design Education, 33(1): 165-189. DOI: 10.1007/s10798-021-09721-2.

Elzenbaumer, B., & Giuliani, C. (2014). Designers' inquiry: Mapping the socio-economic conditions of designers in Italy. Ephemera: Theory & Politics in Organization, 14(3): 451-459. Retrieved [09/13/2026], from https://ephemerajournal.org/contribution/designers%25E2%2580%2599-inquiry-mapping-socio-economic-conditions-designers-italy.

Escaith, H. (2022). Creative Industry 4.0: Towards a new globalized creative economy. Geneva, Switzerland: United Nations Conference on Trade and Development. Retrieved [09/13/2026], from https://unctad.org/publication/creative-industry-40-towards-new-globalized-creative-economy.

Beverland, M. (2012). Four Skills Graduates Need to Cut It in Design-Led Firms. *Design Management Review*, *23*(4). DOI: 10.1111/j.1948-7169.2012.00211.x

Fahmi, F. Z., Koster, S., & van Dijk, J. (2016). The location of creative industries in a developing country: The case of Indonesia. Cities, 59: 66-79. DOI: 10.1016/j.cities.2016.06.005.

Filippetti, A., & D'Ippolito, B. (2017). Appropriability of design innovation across organisational boundaries: Exploring collaborative relationships between manufacturing firms and designers in Italy. Industry and Innovation, 24(6): 613-632. DOI: https://doi.org/10.1080/13662716.2016.1263888

Florida, R. (2002). The rise of the creative class: And how it's transforming work, leisure, community and everyday life. New York, NY: Basic Books.

Gerea, C., Herskovic, V., Rodríguez, M. F., Cajamarca, G., & Gajardo, R. (2023). New paths in small manufacturing: How is digital transformation shaping collaboration between designers and craftspeople? SAGE Open, 13(3). DOI: https://doi.org/10.1177/21582440231194l9.

Granger, R. (Ed.). (2020). Value construction in the creative economy: Negotiating innovation and transformation. Cham, Switzerland: Palgrave Macmillan. DOI: 10.1007/978-3-030-37035-0.

Grigarienė, N., & Jurėnienė, V. (2023). Features of developing a creative business product: A case study of a design product. Transformations in Business & Economics, 22(2): 97-109.

Grinyer, C. (2011). New challenges for product design: The product of design. Design Management Review, 22(4): 14-21. DOI: https://doi.org/10.1111/j.1948-7169.2011.00151.x.

Hakatie, A., & Ryynänen, T. (2007). Managing creativity: A gap analysis approach to identifying challenges for industrial design consultancy services. Design Issues, 23(1): 28-46. DOI: https://doi.org/10.1162/desi.2007.23.1.28.

Hirica, A. (2021). Industry 5.0—Are designers leading the way? Design Management Review, 32(4): 12-17. DOI: https://doi.org/10.1111/drev.12275.

Howkins, J. (2001). The creative economy: How people make money from ideas. London, UK: Penguin Press.

Kaszynska, P. (2025). Enabling as the anchor for regenerative cultural policy. International Journal of Cultural Policy, 31(4): 422-433. DOI: https://doi.org/10.1080/10286632.2025.2470811.

Khunarsa, K. (2024). Policy to promote soft power towards creative economy development. Journal of Public and Private Issues, 1(1): 13-20. Retrieved [09/13/2026], from https://so17.tci-thaijo.org/index.php/jppi/article/view/296.

Kim, R., Zhou, J., Groutars, E. G., & Karana, E. (2022). Designing living artefacts: Opportunities and challenges for biodesign. In D. Lockton, S. Lenzi, P. Hekkert, A. Oak, J. Sádaba, & P. Lloyd (Eds.), DRS2022: Bilbao. Bilbao, Spain: Design Research Society. DOI: 10.21606/drs.2022.942.

Lazzeretti, L., Innocenti, N., & Capone, F. (2017). The impact of related variety on creative employment growth. *The Annals of Regional Science,* 58(3): 491-512. DOI: 10.1007/s00168-016-0805-2.

Leelawattanapan, T., & Chaiboonsri, C. (2012). Factors affecting Thailand's major agricultural exports using panel cointegration method. In Proceedings of the 4th International Conference on Humanities and Social Sciences (pp. 1-10). Songkhla, Thailand: Faculty of Liberal Arts, Prince of Songkla University.

Liu, Y. Y., & Chiu, Y. H. (2017). Evaluation of the policy of the creative industry for urban development. Sustainability, 9(6): 1009. DOI: 10.3390/su9061009.

Loots, E., & van Bennekom, S. (2023). Entrepreneurial firm growth in creative industries: Fitting in … and standing out! Creative Industries Journal, 16(3): 383-405. DOI: https://doi.org/10.1080/17510694.2022.2025710.

Lukianenko, D., Burmaka, M., & Halakhova, T. (2016). Identification of creative investment in global economy. International Economic Policy, 2(25): 7-19.

Martinaitytė, E., & Kregždaitė, R. (2015). The factors of creative industries development in nowadays stage. Economics & Sociology, 8(1): 55-70. DOI: 10.14254/2071-789X.2015/8-1/5.

Mensah, J. D. (2025). Rethinking the contribution of creative economies in Africa to sustainable development: An empirical research of creative intermediaries in Accra's contemporary art sector. International Journal of Cultural Policy, 31(4): 551-568. DOI: https://doi.org/10.1080/10286632.2025.2470814.

Moiseienko, I. (2022). Using the potential of the creative economy to restore Ukraine. International Journal of Management and Economics, 58(4): 381-392. DOI: https://doi.org/10.2478/ijme-2022-0022.

Pfeifer, S., Oberman Peterka, S., & Stanić, M. (2017). Business models of micro businesses: Empirical evidence from creative industries. Management: Journal of Contemporary Management Issues, 22(Special issue): 1-19.

Potjanajaruwit, P., & Girdwichai, L. (2019). Creative innovation of startup businesses in Thailand 4.0 era. Journal of International Studies, 12(3): 222-231. DOI: 10.14254/2071-8330.2019/12-3/18.

Puriwat, W., & Tripopsakul, S. (2020). Preparing for Industry 4.0—Will youths have enough essential skills? An evidence from Thailand. International Journal of Instruction, 13(3): 89-104. DOI: 10.29333/iji.2020.1337a.

Rosyadi, S., Sabiq, A., Ahmad, A. A., & Nuryanti. (2022). The Indonesian government capacity in responding to the COVID-19 impacts on the creative economy sector. SAGE Open, 12(2): 21582440221105820. DOI: https://doi.org/10.1177/2158244022110582.

Roux, C. (2011). The new meaning of product design? Design Management Review, 22(4): 22-25. DOI: https://doi.org/10.1111/j.1948-7169.2011.00152.x.

Salder, J. (2021). The creative business: enterprise development in the arts-based creative industries. *Creative Industries Journal*, *14*(1), 63–80. https://doi.org/10.1080/17510694.2020.1789414.

Shaughnessy, C., Perkins, R., Spiro, N., Waddell, G., & Williamon, A. (2024). Cultivating progressive development in the cultural industries: Challenges and support needs identified by the creative workforce in the United Kingdom. Cultural Trends, 33(5): 487-504. DOI: https://doi.org/10.1080/09548963.2023.2227850.

Stang Våland, M., Svejenova, S., & Clausen, R. T. J. (2021). Renewing creative work for business innovation: Architectural practice in the trading zone. European Management Review, 18(4): 389-403. DOI: https://doi.org/10.1111/emre.12464.

Štreimikienė, D., & Kačerauskas, T. (2020). The creative economy and sustainable development: The Baltic States. Sustainable Development, 28(6): 1632-1641. DOI: https://doi.org/10.1002/sd.2111.

Süner-Pla-Cerdà, S., Öztürk, E., & Ünlü, C. E. (2023). Blended design education: Experiences, challenges and opportunities. In D. Jones, N. Borekci, V. Clemente, J. Corazzo, N. Lotz, L. M. Nielsen, & L.-A. Noel (Eds.), Proceedings of the 7th International Conference for Design Education Researchers (pp. 1-14). London, UK: Design Research Society. DOI: https://doi.org/10.21606/drslxd.2024.044.

Syafri, M., Shobirin, M. S., Ekowati, D., & Maghfirah, N. (2023). The impact of creative industries on economic growth: Case studies in developing countries in Malaysia and Indonesia. West Science Journal Economic and Entrepreneurship, 1(10): 457-464. DOI: 10.58812/wsjee.v1i10.295.

Thailand Creative & Design Center. (2009). The creative economy. Bangkok, Thailand: Thailand Creative & Design Center. Retrieved [09/13/2026], from http://www.nesdb.go.th.

Tjahja, C., & Yee, J. (2022). Being a sociable designer: Reimagining the role of designers in social innovation. CoDesign, 18(1): 135-150. DOI: 10.1080/15710882.2021.2021244.

TRF. (n.d.). Soft Power Strategy Plan. Thailand science research and innovation. Retrieved [09/13/2026], from https://stip.oecd.org/stip/interactive-dashboards/policy-initiatives/2023%2Fdata%2FpolicyInitiatives%2F99996044.

UNESCO. (2019). Culture | 2030 indicators. Paris, France: UNESCO. Retrieved [09/13/2026], from https://unesdoc.unesco.org/ark:/48223/pf0000371562.