

# CEA OUTLOOK

CREATIVE ECONOMY PROSPECTS | JANUARY - JUNE, 2019

01



## THAILAND'S Craft Industry

ISSN 2651-1533



9 772651 153008

## About CEA

In accordance with a Royal Decree and effective as of 14 August 2018, Thailand Creative and Design Center (TCDC) has been reestablished as the Creative Economy Agency (Public Organization) under the Office of the Prime Minister of Thailand. The Creative Economy Agency (CEA) is tasked with engaging with entrepreneurs whose businesses leverage innovation and creativity tools to offer products and services that enhance the prominence and competitiveness of Thailand's intellectual property on the global market.

To that end, the CEA uses a variety of approaches to help make creative and digital economy development a pillar of our national future. Through the provision of timely and useful data, the CEA assists in the formulation of policy whilst also establishing creative districts where the government's agenda can be put into action. The CEA also offers training and support to aspiring creatives in conjunction with educational institutions and private sector entities at TCDC branded business incubation centers, where future luminaries of the Thai creative economy can make a start for themselves.

Additionally, the CEA also serves as a repository of statistics and information that can be leveraged by domestic and international stakeholders seeking to help make Thailand a leader of creative economy in the twenty-first century.

# CEA OUTLOOK

CREATIVE ECONOMY PROSPECTS | JANUARY - JUNE, 2019

01



THAILAND'S  
**Craft  
Industry**

ISSN 2651-1533



9 772651 153008

## OUR TEAM

Consultant

Apisit Laistrooglai

Editorial

Montinee Yongvikul  
Sirion Hrimpranee  
Pannita Mitpakdee  
Sarit Chokchainirand  
Voranan Ruchirat  
Nuchanan Sawanpitak

Design

Pod Ongtaweekiat

Translate

Siritharin Charoensiri

Publisher

CEA  
Creative Economy Agency (Public Organization)  
The Grand Postal Building  
1160 Charoenkrung Road,  
Bangrak, Bangkok 10500 Thailand  
Tel : (66) 2 105 7400 Fax : (66) 2 105 7450  
CEA.OR.TH

Printer

Sunta Press Co., Ltd.

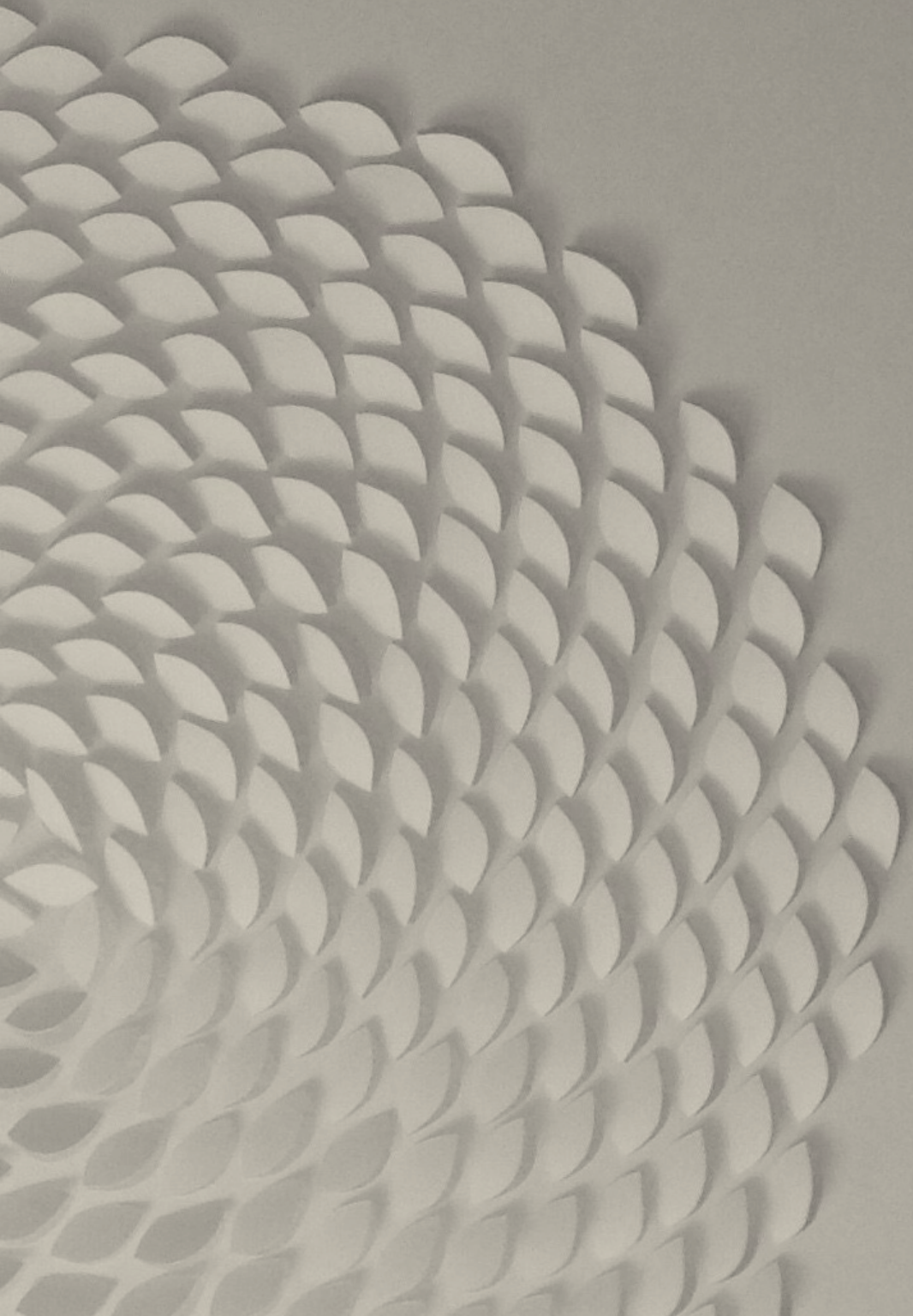


Photo: david-werbrueck/unsplash.com



THAILAND'S  
CRAFT INDUSTRY

Volume

01



CONTENTS

12

Creative Economy and Craft Industry in Thailand

18

Best Practice:  
Approaches to develop the craft industry  
in the creative economy

20

Case Study: The United Kingdom

30

Case Study: Japan

42

The Keys to Success: A comparative view  
of policies and operations to promote  
craft industries

44

Best Practices and  
Challenges in Thailand:  
Mae Teeta and  
Korakot

50

The Keys to Success in Craft Business

54

The Current State of the Craft Industry  
in Thailand

56

Attitudes and Future Trends









## Preface

Crafts form the bedrock of production culture within a society, with craftspeople serving as both creators of meaning and the inheritors of knowledge passed down through generations. Handicrafts are the product of perseverance and emerge from prosperity and the ingenuity of local people seeking to escape poverty. Indeed, these products embody knowledge and creativity of the communities where they are created.

In addition to being an expression of culture, handicrafts have the potential to create production chains that can make the contributions of small communities into a driving force for economic development. Although mass production and new technologies have obscured and reduced the share of handicrafts in some countries, others have been successful in keeping handicrafts and the added social value that comes with them an important part of production.

The craft sector in Thailand has evolved in response to social and economic forces that influence the production structure of the country, ranging from the household to the industrial levels. Craft industry output is increasing in the diversity of products and is becoming an important part of creative industries in Thailand as a whole.

As part of our central mission of the promote the creative economy, we at the Creative Economy Agency (Public Organization) believe that industrial crafts can be a powerful contributor to economic growth and the preservation of social values in local communities. In this CEA OUTLOOK, we present relevant case studies and consider how the craft industry can play an important part of the creative economy in Thailand.

**Apisit Laistroglai**

Director General



Photo: Alexandra Kenavoglio / iStockphoto.com



# Crafts

CREATIVE ECONOMY

AND

CRAFT INDUSTRY

IN THAILAND

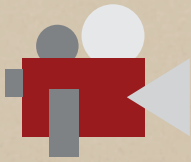
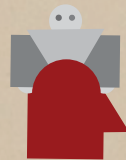
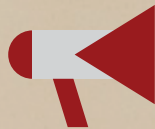
Countries throughout the world have suffered from sluggish economic growth over the past decade. The rise of giant market players like China and India have generated fierce competition in the manufacturing sector in particular, with factors of production such as natural resources and low-cost labor diminishing in response to increasingly mobile transnational corporations seeking to employ the cheapest inputs possible.

For many newly industrialized countries, global pressures have driven a shift away from a traditional export-orientation based on manufacturing. Among the most promising alternative economic approaches to emerge in recent years is the creative economy, which is an economic system driven by knowledge and creativity applied in concert with technological and innovative advancements that add value to existing products and services. The result can be massive economic value creation of the kind central to the Thailand 4.0 agenda.

# CREATIVE ECONOMY INDUSTRIES

Thailand's effort towards the creative economy plays to its strengths in biodiversity and cultural diversity, giving it a comparative advantage and, ultimately, a competitive advantage. Thailand currently recognizes twelve industries as part of its creative economy: crafts, performing arts, visual arts, film & video, publishing, broadcasting, music, design, fashion, architecture, advertising and software.

The 12 categories of creative industry shown below have been included as target industries of the new development model and the 12th National Economic and Social Development Plan, aimed at promoting prosperity with a new economic focus.

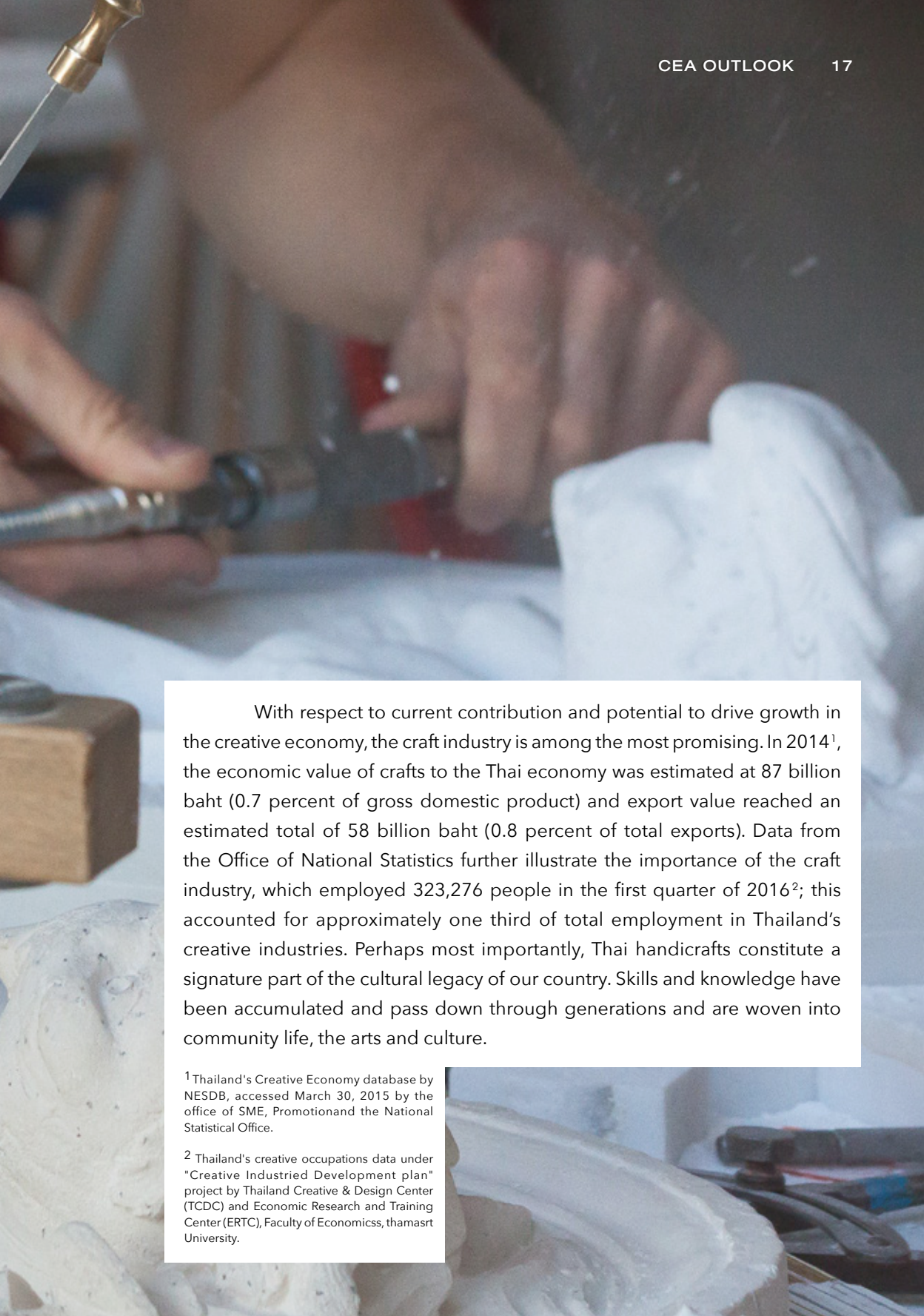
**CRAFTS****PERFORMING ARTS****VISUAL ARTS****FILM & VIDEO****PUBLISHING****BROADCASTING****MUSIC****DESIGN****FASHION****ARCHITECTURE****ADVERTISING****SOFTWARE**

1/3

of total employment in Thailand's creative industries is from the craft industry which employed up to **323,276** people in the first quarter of 2016.







With respect to current contribution and potential to drive growth in the creative economy, the craft industry is among the most promising. In 2014<sup>1</sup>, the economic value of crafts to the Thai economy was estimated at 87 billion baht (0.7 percent of gross domestic product) and export value reached an estimated total of 58 billion baht (0.8 percent of total exports). Data from the Office of National Statistics further illustrate the importance of the craft industry, which employed 323,276 people in the first quarter of 2016<sup>2</sup>; this accounted for approximately one third of total employment in Thailand's creative industries. Perhaps most importantly, Thai handicrafts constitute a signature part of the cultural legacy of our country. Skills and knowledge have been accumulated and pass down through generations and are woven into community life, the arts and culture.

<sup>1</sup> Thailand's Creative Economy database by NESDB, accessed March 30, 2015 by the office of SME, Promotion and the National Statistical Office.

<sup>2</sup> Thailand's creative occupations data under "Creative Industries Development plan" project by Thailand Creative & Design Center (TCDC) and Economic Research and Training Center (ERTC), Faculty of Economics, Thammasat University.

Although the creative industries have played an important part in economic and cultural life throughout our history, Thailand has yet to formulate clear policies and guidelines to support its development. It is thus essential that Thailand draw lessons from case studies of successes of other countries in promoting creative economy, thus allowing the nation to support and drive forward the development of creative industries with the most effective measures possible. These studies highlight the advantages and disadvantages that may arise from the implementation of various policies aimed at promoting creative industries, as well as ways a country can promote its strengths and identify opportunities to reduce barriers and constraints on growth. Additionally, research into skilled local craftsmen and artisans in communities throughout Thailand can also guide young entrepreneurs who may be interested in starting businesses in the craft industry.

EXAMPLE OF BEST PRACTICE:  
APPROACHES TO DEVELOP THE CRAFT INDUSTRY IN THE CREATIVE ECONOMY

BEST PRACTICE FROM OTHER COUNTRIES

Two examples of best practice in creative economy development in relation to the craft industry can be found in the United Kingdom and Japan.

THE IMPORTANCE OF CRAFT AS A CREATIVE INDUSTRY

The craft industry is perhaps the most historically impactful to the economic, social and cultural development of Thailand. It is nevertheless of relatively low economic value relative to the other industries to which it is connected. The downward trend in value is likely to continue and craftspeople are likely to shrink as a portion of the population in view of rapid urbanization and the influx of low-cost lifestyle products from overseas.



Photo: fancycrave

The continued promotion of the craft industry helps to foster creativity that can be built upon, as well as the know-how and skills that can be used in creating new and more advanced products. Encouragement of participation in building on cultural assets in their cases has proven to be the key to success. What the craft industry does not achieve in terms of economic value is made up for by the significant potential to contribute to other industries and improve quality of life overall. Such is demonstrated by the examples of the United Kingdom and Japan.

# The United Kingdom

## CASE STUDY: THE UNITED KINGDOM

Despite its position as an advanced industrialized economy, the UK has a thriving contemporary craft industry wherein professionals use their skillsets and creativity in concert with modern technologies and innovations to create distinctive products. The value, aesthetics and functionality of these products meet the demands of today's customers while maintaining the distinctive characteristics of UK handicraft.

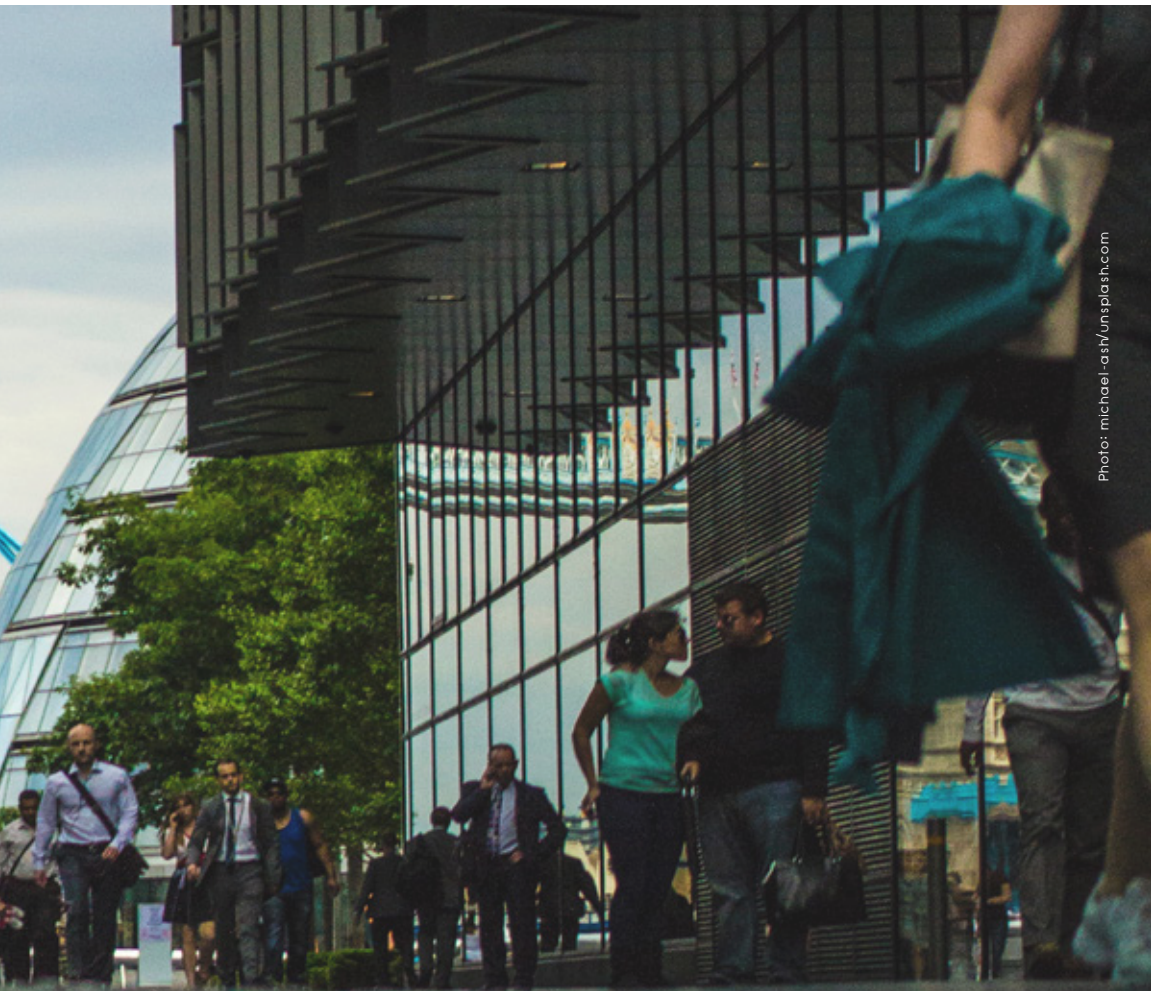


Photo: michael-ash/unsplash.com

## CREATIVE ECONOMY AGENCY

To achieve its goal, the UK Department for Digital, Culture, Media and Sports (DCMS) oversees the promotion of creative industries that drive economic growth and exports. It is the primary objective of the DCMS to promote the craft industry in a manner that leverages cultural heritage to drive the economy forward.



Under the authority of the DCMS, the UK Craft Council is a national development agency responsible for the development of the craft industry in the UK. The Council is tasked with making the UK the foremost place to make, see and collect contemporary crafts. To that end, it has created an enabling environment for the craft industry to grow their business operations, essential infrastructure and high-quality contemporary practices to garner recognition both domestically and internationally.



Photo: Crafts Council

## APPROACHES TO CREATIVE ECONOMY DEVELOPMENT

In terms of policy, a key mechanism used to promote creative economy in the UK has been the Creative UK strategy for 2014 to 2020. The strategy promotes an integrated approach that links creative industry entities with related agencies. In 2016, Create Together was established to update key strategies aimed at responding to changes in the global economic context; 8 drivers for future growth were advanced.

- **DIGITAL INFRASTRUCTURE**

must be easily accessible at a reasonable price to provide connectivity to businesses and enable market expansion.

- **DIVERSITY**

in the creative workforce must be promoted to increase business opportunities.

- **EDUCATION AND SKILLS**

must be developed to match the demands of the labor market in creative industries and to ensure that young people are both interested in and recognize the value of creativity.

- **FINANCE FOR GROWTH**

to enable small creative businesses to access the support and information they need to flourish.

- **INTELLECTUAL PROPERTY**

training must be provided to educate professionals and aspiring creators on how to protect their work.

- **INTERNATIONAL**

growth is identified as important and to be encouraged among business from all sectors that help to promote creative industries, thereby helping to shape the 'Brand Britain'.

- **REGIONS & CLUSTERS**

of creative industries must be promoted throughout the country at the city, local authority and regional levels.

- **REGULATIONS**

must be put in place with an emphasis on self-regulation to ensure that the environment for development, business operations and consumer protection is created.



A  
CREATIVE  
INDUSTRIES  
COUNCIL STRATEGY  
FOR  
CROSS  
INDUSTRY  
COLLABORATION

# THE UK CREATIVE ECONOMY 2017

*Creative*





# JOBS

The Creative Economy 2017

**3.12** MILLION JOBS

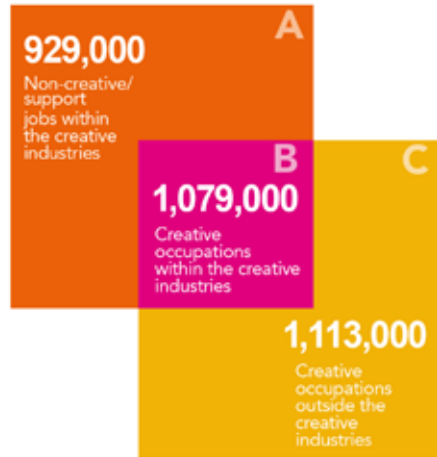
**1** IN **11** UK JOBS

**80k**

CREATIVE ECONOMY JOBS ADDED IN 2017

# EMPLOYMENT

Employment in the UK creative economy 2017



Total 3.12m jobs in the UK creative economy

creative economy = **A+B+C**

creative industries = **A+B**

# REGIONS

% of UK creative industries jobs by region 2017

Figures rounded to total 100%



[www.thecreativeindustries.co.uk](http://www.thecreativeindustries.co.uk)

Source: DCMS statistics, July 2018

CREATIVE UK

Overall, the UK government mapped out a comprehensive strategy that covers all levels and sectors of development to create an enabling environment for creative industries that encompasses everything from financial support to investment in infrastructure to regulatory conditions that facilitate business operations in the global market. All policies have been subject to dynamic updating to keep pace with a changing global context.

**The UK’s policies for Craft**

In addition to the establishment of policies to promote creative industries, the UK government has also introduced industry-specific plans. The Craft Blueprint is a collaborative action plan for agencies, associations and individuals involved in the development of craft industries aimed at developing and supporting the workforce. The plan identifies nine key issues to be addressed:



1	Management and leadership	<div style="text-align: right;"> <p>creative &amp; cultural skills</p> </div> <div style="text-align: center; margin-top: 20px;"> <p><b>The Craft Blueprint</b></p> <p><small>A workforce development plan for craft in the UK June 2009</small></p> </div> <div style="text-align: center; margin-top: 20px;"> </div> <div style="text-align: right; margin-top: 20px;"> </div>
2	Business support	
3	Diversity of the workforce	
4	Continuing professional development	
5	Qualifications reform	
6	The provision of robust industry intelligence	
7	The role of creativity and culture in schools	
8	Entry points into the creative and cultural industries	
9	Progression routes & careers information, advice & guidance	



Photo: 100-design

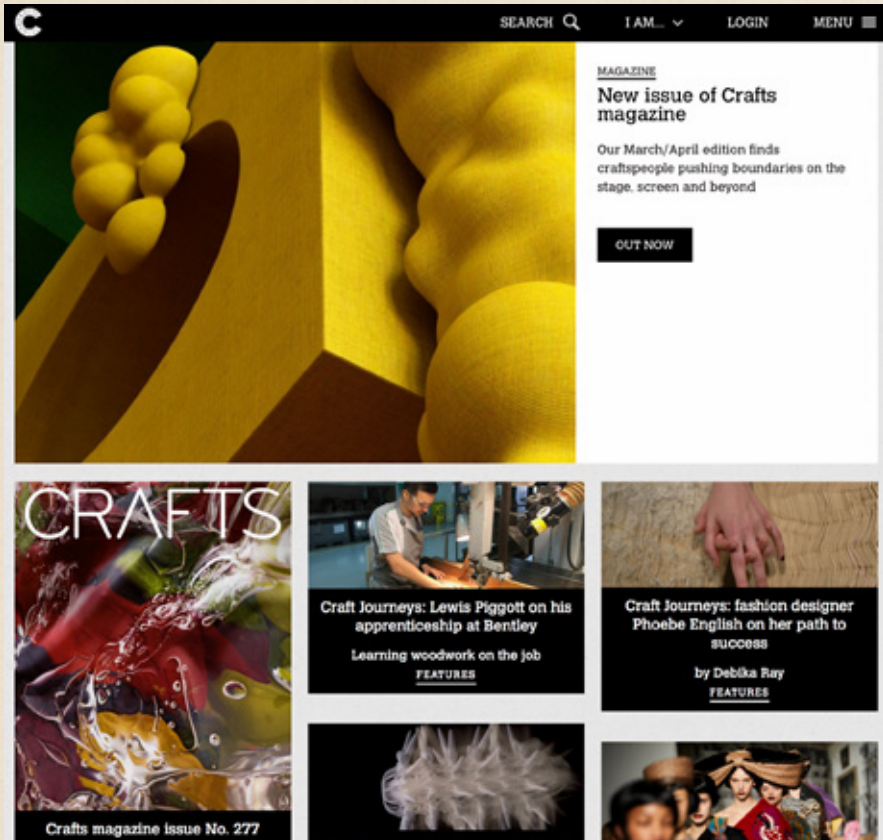
The concerted efforts of UK policymakers demonstrate a clear commitment to creative industries promotion, but the guidelines and avenues for putting these priorities into practice in industry development may remain opaque. One challenge is that new technologies put pressures on traditional craft to change in order to keep up with contemporary consumer wants and needs, and trends that come and go in the short-term can influence attitudes and lifestyles in the longer term. Technology can also impact consumers to the benefit and detriment of the craft industry by providing ready access to products through easy online channels. Government agencies thus need to be aware of opportunities and challenges faced by craftspeople, as well as how to engage in skills matching in the workforce and business knowledge in areas such as marketing that promote industry growth. The UK Craft Council has provided an example of how this can be done.



**Hothouse**  
Support for  
emerging makers

**HIGHLIGHT PROJECT:  
HOTHOUSE PROGRAMME**

Since its launch in 2011, HOTHOUSE has helped to support workforce development in the UK by focusing on the creativity that has already proven a critical driver of economic growth and competitiveness in the twenty-first century. The over 200 craftspeople who have completed the HOTHOUSE program represents the beginning of a new generation of makers in the UK - one whose members understand not only crafts but also the business skills necessary to ensure that their talents can be used to provide a financially stable life. It is in building this generation that the UK has helped to ensure that development of new crafts that apply technology and innovation whilst also preserving and upskilling traditional craftsmanship.



## HOTHOUSE PROGRAMME: HOW IT WORKS



Source: Crafts Council and the advisor's analysis

HOTHOUSE is one of the programs developed to support the UK's workforce development. With a new generation of makers who understands crafts, reaching the consumer market in the new era becomes easier. New crafts can be made with the help from technology and innovation that meet the market needs while traditional craftsmanship is preserved and upskilled.

One of the central challenges faced in the craft industry is that consumers often view handicrafts as homemade goods rather than high-quality work that combines design and consumer need. As a result, consumers often view handicrafts as being worthy of a lower price than that asked for by the artisan. The HOTHOUSE program tackles this problem by helping makers to acquire the business acumen to accurately convey the true significance and value of crafts. Indeed, highlighting the difference between average goods in the industry and high-quality artisan pieces that come from the design sensibility and creativity of a professional maker will help to change this perspective. However, the UK's HOTHOUSE program provides only one example of success that can be drawn from.

## CASE STUDY: JAPAN

With longstanding historical roots going back more than 100 years, Japan's artisans maintain traditional patterns and manufacturing methods that reflect the country's cultural identity. Japanese crafts are divided into eight categories: pottery, textiles, lacquerware, woodwork, metalwork, dolls, paperwork and miscellaneous. Each of these categories is further subdivided based on the technique or process used in production. Given the importance of these crafts to its cultural heritage, the Japanese government has taken steps to promote its creative industries.

### CREATIVE ECONOMY AGENCY

Japan's Ministry of Economics, Trade and Industry (METI) is the main governing body responsible for creative economy promotion in Japan. The ministry supports Japanese businesses with overseas expansion and with financial support. METI also works alongside the Ministry of Education, Culture, Sports and Technology (MEXT) in efforts towards workforce development. Scholarship are available to those interested in furthering their education in areas related to creative industries domestically, while overseas opportunities are made available to exchange knowledge and skills with talented people from other countries.

In terms of crafts specifically, the Association for the Promotion of Traditional Craft Industries (DENSAN) is responsible for the development and promotion of high-quality traditional crafts that meet international standards. DENSAN also supports the export of crafts and creation of local and global handicraft markets. Such efforts are also supported by the Ministry of Foreign Affairs, which is responsible for disseminating Japanese culture through its foreign embassies and building a national image that includes a distinctive Japanese advertising brand. So too does the Ministry of Land, Infrastructure, Transport and Tourism provide support and assistance to visitors to Japan under the "Visit Japan" campaign.





# Japan

Across the relevant government agencies, Japan prioritizes the creative economy and works in partnership with the private sector to drive the economy in a clear direction that produces tangible results at a large-scale in order to produce a positive impact. As to the Japanese private sector, it can help to improve product standards to gain a competitive edge in the global marketplace whilst also creating an enabling environment for creativity.

From the overall structure of the agencies involved, it is evident that the government agencies in Japan prioritize the creative economy and work in partnership to drive the economy in a clear, tangible manner with a large-scale, positive impact.



Photo: [eastman/unsplash.com](https://www.unsplash.com/photos/eastman)





## APPROACHES TO THE CREATIVE ECONOMY DEVELOPMENT

One approach to creative economy development taken by the Japanese government is the 'Cool Japan' strategy, which develops and prepares target industries that represent cultural identity prior to the export of goods and services overseas with an aim towards increasing national wealth. This approach to creative economy development is divided into four areas:

1. Combine Japanese content and consumer goods with export potential.
2. Create a Japanese cultural boom overseas by broadcasting and presenting Japanese content through local and global media channels to raise awareness, which is facilitated by government agencies that adjust the presentation of Japanese culture to fit the export market.
3. Generate profits domestically through the facilitation and coordination of business operations that link international companies with Japanese suppliers, as well as collaborate with overseas retailers and distributors to ensure Japanese products reach their target markets and consumers.
4. Draw consumers to Japan through the generation of interest in Japanese culture resulting from overseas cultural products and services, which promotes tourism.

## HOW COOL JAPAN WORKS



Source: Cool Japan Initiative 2014

## JAPAN'S POLICIES FOR CRAFTS

The METI plays an important role in supporting the Cool Japan strategy with respect to promoting the traditional craft industry, several efforts have been undertaken which include the establishment of DENSAN and associated efforts to oversee and implement related policies. Specific challenges these efforts aim to address are the influx of low-price lifestyle products from foreign countries and a rapid decline in the consumption of traditional crafts domestically. To ensure that the craft products are supported by DENSAN meet a high standard of quality, five criteria are imposed for those supported by the association:

1. Articles must be used routinely in everyday life.
2. Articles must be primarily manufactured by hand.
3. Articles must be manufactured using traditional techniques that are at least 100 years old.
4. Materials used in the manufacture of the craft product must have remained unchanged for at least 100 years.
5. Manufacturer should be regionally established at a specified scale.



Crafts that meet all five criteria are officially designated by METI and DENSAN as traditional Japanese crafts, which enjoy privileges that include sales, advertising and distribution in government shops and overseas exhibitions. This set of criteria helps to standardize products and retain a distinctive Japanese identity that is well-known and accepted worldwide. As of 2018, 230 traditional craft products have received this official designation.

OFFICIALLY DESIGNATED JAPANESE TRADITIONAL CRAFTS

# Traditional Crafts of Japan

These are Officially Designated Traditional Craft Products throughout Japan that are authorized by the Ministry of Economy, Trade and Industry (222 products as of June 18, 2015).



**Do you know about this Mark?**  
 This mark identifies Traditional Craft products. The quality certification label is only attached on the product that meets the standard of the Ministry of Economy, Trade, and Industry.



**JAPAN TRADITIONAL CRAFTS AOYAMA SQUARE**  
 Opening Hours: Daily 11:00am-7:00pm  
 Accessibility: \*Approx. 5-minute subway station, Exit #4A, walk 5 minutes towards Aoyama Station  
 Telephone: 03-5785-1201

Produced and Published by  
**The Association for the Promotion of Traditional Craft Industries**  
 Aoyama 13 Bldg 2F, 8-1-22 Aoyama, Minato-ku, Tokyo 107-0002  
 Tel: 03-5785-1201 URL: <http://hojipen.jp>

Note: The layout of illustrations does not necessarily correspond to the location of municipalities.

The supply-side efforts of METI and DENSAN aimed at increasing product quality are supported by other state bodies that promote demand-side efforts undertaken as part of the Cool Japan strategy. Other state bodies boost consumer demand using an approach that focuses on storytelling. Drawing on its rich national history, the Japanese government helps suppliers to create stories for their products that are easy to grasp and perhaps reflected most clearly in the craft naming convention. By incorporating the name of the region of origin or specific technique used in the creation of a craft, a message is communicated to consumers that a given craft item is something special that is unlike other products. This distinguishes the product, makes it distinctive, and prevents it from being confused with other products that may appear similar. For instance, OJIYA-CHIJIMI is different from OJIYA-TSUMUGI in the textile category. OJIYA is the origin city while CHIJIMI and TSUMUGI are the names of the techniques used to create the products. The naming convention contributes to the comparative advantage and prevents market erosion from inferior knock-offs.



Photo: WatchProSite.com





In addition to the aforementioned measures, METI has designated every November as Traditional Craft Month since 1984. The aim of Traditional Craft Month is to bring people together from the industry at workshops organized at participating venues to provide knowledge and activities that are easily accessible by customers. One such activity is NIPPON QUEST, which is a competition to find products or foods that consumers are highly satisfied with in order to raise awareness and heighten the importance of crafts and traditional culture in the country.

As to DENSAN, it also serves as a central agency for craftspeople. The craft industry of Japan's past was driven primarily by artisans from families with long histories of mastery in their given areas of expertise. DENSAN helps to ensure that craftspeople big and small, established and new, can share and exchange their expertise and encourage the development of craft mastery that prevents it from stagnating or fading away with time. A further and related benefit offered by DENSAN is that it serves as the starting point for connecting within the same industry category and between categories, contributing to the vertical integration that serves as important and effective mechanism for comprehensive growth.

**HIGHLIGHT PROJECT: TRADITIONAL CRAFTS X LUXURY PROJECT: WAO**

A standout project undertaken under the banner of the Cool Japan strategy is Craft Renaissance Project “WAO”, which brings together designer, artists and brand curators to develop a brand image for Japanese handicrafts that communicates value and character that will help to drive exports. Operation of the project is as follows:

**1. CURATION SYSTEM / EVALUATION**

Crafts are subjected to curation and evaluation by product experts and leading designers prior to export.

**2. DISCOVERING YOUNG TALENTS AND DEVELOPING HUMAN RESOURCES**

Young talent is discovered and human capital is developed through the establishment of 47 Club E-Commerce, a network that gathers information on crafts makers from forty-seven provinces in Japan.

**3. PROMOTION OF DEVELOPMENT USING “SELECT SHOPS” AND HIGH-END DEPARTMENT STORES**

Development promotion using “select shops” and high-end department stores with a focus on affluent consumers in Japan and overseas.

**4. DEVELOPMENT OF BUSINESS NEGOTIATIONS**

Establishment of business negotiations using the tourism industry as a communication channel to penetrate high-end markets.

**5. INITIATIONS TO OVERSEAS MEDIA/PR**

Overseas media and public relations to raise awareness of Japanese craft branding.

**6. EXHIBITIONS AND SALES IN JAPAN AND OVERSEAS**

Exhibitions and sales events are held in Japan and overseas to attract and generate interest from foreign consumers, especially those from the United States and Europe.





Photo: Arita Tourism Association

This example demonstrates that the Japanese government makes efforts to manage cultural capital so that it aligns with the modern social context, which is accomplished through an integrated approach that draws both on its own agencies and the private sector. With continued efforts by government agencies, Japanese craft products are widely recognized and accepted in the international market.

## THE KEYS TO SUCCESS: A COMPARATIVE VIEW OF POLICIES AND OPERATIONS TO PROMOTE CRAFT INDUSTRIES

Based on the case studies of success in the UK and Japan, the keys to success in increasing competitiveness and realizing the potential of the craft industries are:

1. Clear policies and vision for the development of craft industries: Creating supply and demand that are aligned in the same direction within an appropriate ecosystem.
2. Implementation of policies that are appropriate and suitable for the social and cultural context: Cater to the lifestyles of consumers, highlight cultural capital, and conform to buying behavior for craft products with consideration to factors including level of technological advancement and complimentary industries.
3. Integrated collaboration between government agencies and private sector entities: Promote the smooth implementation of policies through implementation of policies in a smooth and consistent manner that involves all relevant parties.
4. Develop creative entrepreneurs and workforce: Launch efforts to develop the industry in a manner that preserves existing knowledge whilst equipping makers with the skills to succeed in the present and future.
5. Provide incentives and privileges for exports: Provide official incentives and privileges that differentiate genuine crafts from low-market imitations and facilitate their sale through at special venues and with partner retailers.
6. Utilize multiple marketing channels to communicate value: Inform consumers and raise awareness of the value of crafts through multiple domestic and international marketing channels well-suited to reaching target markets.

As the examples to the left have shown, the UK and Japan have applied six factors that have contributed to their successful development of creative industries - though each has taken a different approach with respect to implementation. The UK has a holistic approach to fostering competitiveness by utilizing resources and technology with the support of various domestic agencies. Japan, by contrast, develops its creative industries focuses on building cultural capital and preserving traditional products whilst promoting exports to foreign markets. In view of these examples, it is worth turning attention to the state of the craft industry here in Thailand.



# Thailand

## BEST PRACTICES AND CHALLENGES IN THAILAND: MAE TEETA AND KORAKOT

"Mae Teeta" (natural indigo-dyed cotton) and "Korakot" (bamboo wickerwork) are creative entrepreneurs in the craft industry who succeed in adding value to craft products, generating income to the community and expanding their customer base to overseas markets.

**CASE STUDY: MAE TEETA**

Mae Teeta was born out of a desire to revive and continue a local indigo dyeing technique that was disappearing from Sakon Nakhon province. Adopting the traditional weaving and dyeing techniques of high quality, the brand sources materials that include indigo extracted from trees using an organic fermentation technique. As easy a process to lose as it is difficult to learn, this technique has not been clearly recorded and has traditionally been passed on through generations of practice. Communicating the cultural significance of the technique has posed a challenge to a younger generation.

In building a brand, Mae Teeta identified an opportunity in handwoven textiles. There is currently a high supply of handwoven textiles on the market thanks primarily to a promotional campaign by the Thai government. Handwoven fabrics nevertheless saw little demand among a new generation with high buying power but little appreciation for the traditional. The challenge is further compounded by the fact that most handwoven products are not suitable for everyday wear, as they are unprocessed cloth that are difficult to fashion into patterns that cater to the tastes of younger consumers. Mae Teeta's success has come from developing a branding strategy that successfully uses handwoven cloth and applies the striking look of indigo for apparel that is simple, universal and modern. In essence, a new image for indigo-dyed fabrics has been created.

One challenge that persisted even after Mae Teeta's initial success was that the indigo-dyed textiles were made by villagers who did not initially believe that their products would sell; the product was new, unknown and had yet to make a mark. As the values, attitudes and tastes of rural and urban people often diverge in areas, it took time for producers in the community and their creative entrepreneur partner to form a relationship of mutual understanding. Further, engaging in a business that relies on a community as the main production mechanism requires that the entrepreneur take steps to improve the lives of those living in their partner community specifically and society generally. Mae Teeta has succeeded, offering quality and credibility in handicrafts that reflects a traditional way of life and the well-being of those whose knowledge has made the company possible.

## CASE STUDY: KORAKOT

Korakot is another success story from Thailand that has drawn on skills passed down through generations to make bamboo wickerwork crafts. Inspired by the surrounding nature, the brand sources the materials locally and uses traditional skills of the people in the community. The techniques of kite-making, a traditional Chinese approach to bamboo lashing and tying, is combined with local crafts like wickerwork. The brand has further developed products with creativity and design to follow the global trends that has culminated into applied traditional crafts that are unique and delicate works of arts.

Wickerwork is local wisdom that has long been part of many Thai people. Mostly used for everyday items in the past, wickerwork is now viewed as outdated and not suitable for applications in a time when many natural materials have been replaced by cheaper industrial synthetics that seem to fit more closely with modern sensibilities. Industrial manufacturing has thus made these delicate handicrafts rare, and Korakot has filled this gap to create value-added products are now hot items on the market.

In terms of its business operation, Korakot has relied on planning skills and has drawn lessons from working experience that have been used to improve the business. An example can be seen in the production process. Since wicker design items require specialized expertise, materials that are different from traditional wickerwork, and good time management to complete the orders in a timely fashion, a community of craftsmen was thus created. Korakot focuses on working together with the community and transferring knowledge directly to the villagers for them to practice in order to gain expertise. The industrial craft system was also applied. Tasks were divided by the locals' aptitude. For instance, women tend to be more skilled in intricate work such as lashing and tying while men are more suitable for labor-intensive work such as bamboo-cutting and installation. Following this practice makes the production process efficient, resulting in high-quality, delicate design pieces produced in higher quantity. It also creates jobs within the community, empowers the local people and reduces social problems such as drug addiction.



Photo: Villa Siam

## THE OVERALL IMPACTS OF THE CREATIVE ECONOMY

Based on in-depth interviews with entrepreneurs from both Mae Teeta and Korakot, the craft industry was found to have both economic and social impacts.

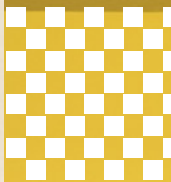
### **ECONOMIC IMPACT**

In terms of economic impact, creative economy development utilizes wisdom embodied in local communities in a manner that leverages cultural capital and natural resources to efficiently generate economic value. For example, a piece of handwoven cloth is usually sold at 500 baht. When combined with creativity and design to create a ready-made garment, its price can go up to more than 2,000 baht. Similarly, inexpensive wickerwork, when mixed with craftsmanship to create beautiful and distinctive shapes, can generate income for the business and villagers. As the creative industries rely on skilled workers, more income is eventually directed to the workforce than the entrepreneurs or to other production inputs. In addition, creative products can add value and support Thailand's economic growth through competition in the global market and community tourism.

### **SOCIAL IMPACT**

With respect to the social impact of the craft industry, drawing on the knowledge found in local communities across the country is critical to success. The business growth will generate income for the locals and community involved. In terms of production, crafts cannot be produced by one person. It takes collaboration, which leads to relationship building between people in the community and a network of the local community of which members respect the common rules and disciplines.

By developing social capital at the community level, creative economy development also raises awareness of and creates appreciation for the culture and local way of life. A sense of belonging and ownership in the products the locals jointly create results in a desire to preserve and transfer knowledge to the next generation. Creative economy development thus stimulates creative thinking with society, leading to job creation and professional opportunities. Without the need to relocate, the quality of life of the villagers improves, paving the way for sustainable development.







## THE KEYS TO SUCCESS IN CRAFT BUSINESS

From the case studies presented from Thailand, two key success factors have been identified: internal and external. Internal factors come from the entrepreneur's effort to develop a business with creativity. External factors come in the form of support from outside bodies like government agencies. Each is detailed as follows:

### **Promoting Internal Factors:**

#### **Business development with creativity by entrepreneurs**

This consists of three main points:

##### **1. Start and build a business on existing capital or personal interest**

Thailand is diverse in its cultural and social capital. Each area has unique and distinctive features, which entrepreneurs can build on and manage to add value to products and services using creativity. The two case studies show that both Mae Teeta and Korakot started with building on the cultural assets that are local wisdom embedded in the traditional way of life, then further developed into products using creativity. Besides giving the products their strength, each tells a story of how products come to be and communicate value to consumers in a concrete way. It also strengthens and improves the quality of the economy at its root, bringing about sustainable development in each sector of the society.

##### **2. Set a clear target group and business direction**

It is necessary to determine the product target group and how the group will benefit from the product. This will influence its design and function to ensure that the product can compete with other goods and meet the consumer preference and demand. In terms of brand positioning, consideration should also be given to competition with existing products in the market and how to differentiate the product to be outstanding, creating a clear image well recognized by consumers.

### 3. Create a system and mechanisms for businesses

The nature of individual or small entrepreneurs is often that they are highly specialized in one field. This can be clearly seen in creative entrepreneurs. Most of them are designers who may be weak in business management. So too does the production of most creative products require craft skills, making it difficult to control the quality and mass produce. Therefore, in working in collaboration with the community who mainly contributes to production, applying the industrial craft system or dividing tasks based on the expertise and ability of each person is essential to business growth. It is also important to train and improve the skills of young craftsmen and to maintain the high quality of the products acceptable by export standards. The use of tools and technology plays a role in upgrading and enhancing work efficiency, a practice widely accepted nowadays.

The internal factors thus show that to be successful in a creative business, the key lies within the ability of an entrepreneur to develop a product that meets market demand and manage the business in a way that suits the current environment.

**Promoting External Factors:****Creating an enabling environment by the government**

Support from the government through different action plans and projects creates an environment conducive to business development and operation. For example, promotion of creative goods at trade fairs provides a marketing channel and opportunity to reach more consumers. Thai handicraft products are very popular in the international market. Government support is critical for entrepreneurs who are ready to export their products and operate their businesses at a national level.

In addition, design competitions such as Design Excellence Award (DEmark) can set the standards and stimulate business development. They create a benchmark for creative products in terms of quality, application and design concept. They are also marketing tools that build credibility for award-winning products, which are promoted through media outlets and events.

However, the current support from the government through measures and privileges have limitations in terms of capacity building among creative entrepreneurs, especially craft makers. Economic development in Thailand has focused on industrial growth for more than half a century. National development policies and measures thus tend to reflect this priority. Meanwhile, the approach to develop the craft industry is significantly different in terms of production goal, use of resources, quantity, operation and management. For the government to support the craft industry to be able to compete in the global arena, it needs to work around the limitations and rethink the standards that exist in the industry. It also needs to understand the nature of a new kind of business driven by creativity and craft manufacturing processes. The result of the craft industry development can be seen not only in economic growth but also the better quality of life in the society.

KHING SIDE TABLE  
by Sumphat Gallery



TENSION  
by Plural Design



## CURRENT STATE OF THE CRAFT INDUSTRY IN THAILAND

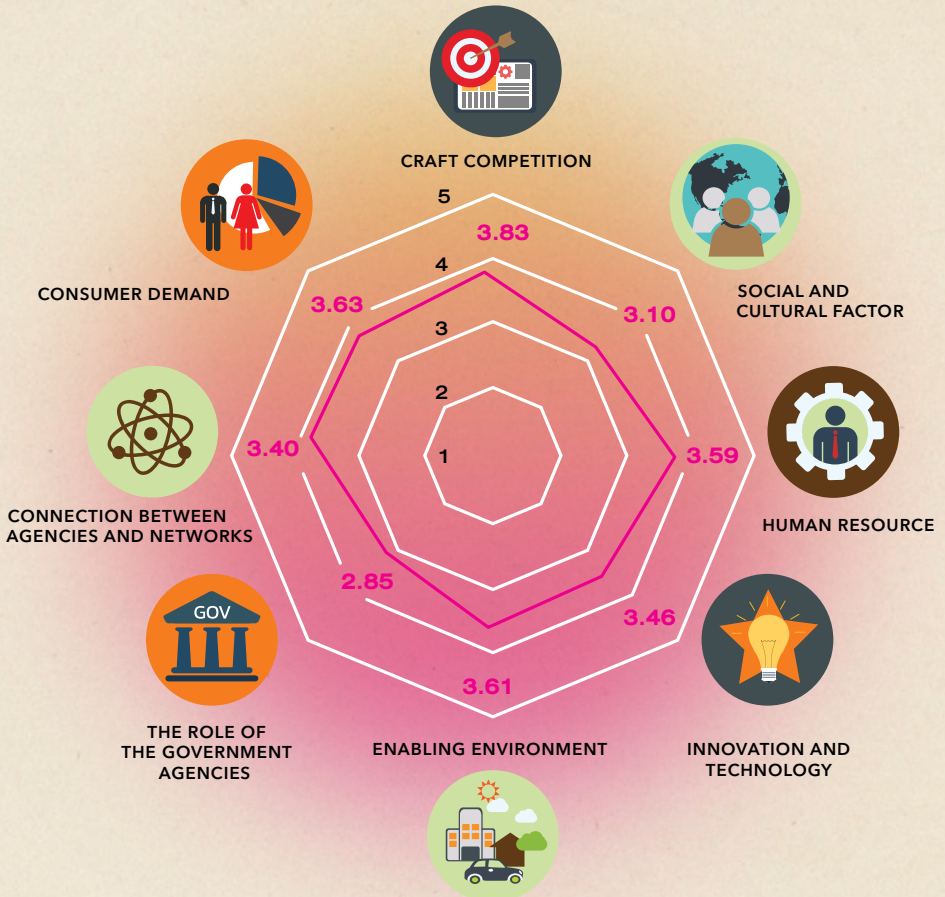
Thailand offers an abundance of cultural and resource capital. Effective promotion of creative industry requires to recognize the needs of entrepreneurs to effectively formulate policies to support creative industries. Specifically, these come in eight areas:

1. Craft competition
2. Consumer demand
3. Social and cultural factor
4. Human resource
5. Innovation and technology
6. Enabling environment
7. The role of the government agencies
8. Connection between agencies and networks

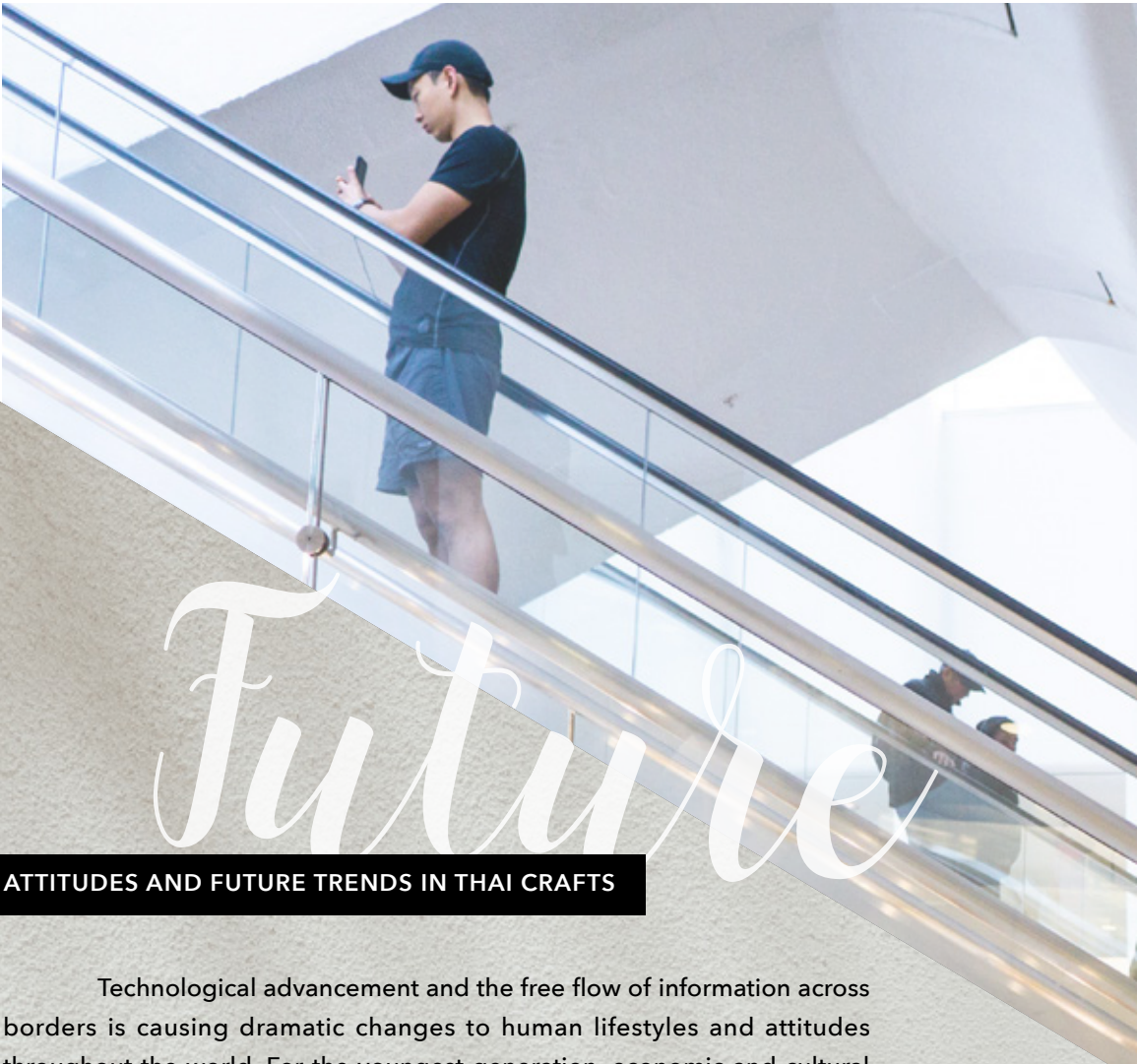
Competition in the craft industry is moderate at present. Entrepreneurs in this area mostly focus on design and functionality mixed with brand identity. Design craft items are in reasonably strong demand in both the domestic and international markets, and Thailand's products are affordability price compared to crafts produced in many other countries.

In terms of such factors as social capital, human resources, suitable technologies and an enabling environment, conditions for the craft industry are fair. Access to information and knowledge in traditional crafts is supported by social and cultural forces, as there is a continuity of skills that should be encouraged to add value to craft products. The government can also take measures to promote and enhance the capabilities of the craft workforce. Many of the country's most highly skilled artisans are aging while younger generations overlook learning these skills, either out of a lack of interest or concerns regarding financial security and lifestyle. Such challenges could prove difficult to overcome in the future, which could be overcome in part through policy measures aimed at the development of technology and an enabling environment that aligns with craft industry needs.

## ENVIRONMENTAL FACTORS OF THAILAND'S CRAFT INDUSTRY



Regarding the role of government, additional consideration should be given to ensure that supporting measures and policies respond to the needs of craft industry entrepreneurs. This can be fostered by creating links between relevant agencies and networks to ensure integrated development and consistent, stable growth.



# Future

## ATTITUDES AND FUTURE TRENDS IN THAI CRAFTS

Technological advancement and the free flow of information across borders is causing dramatic changes to human lifestyles and attitudes throughout the world. For the youngest generation, economic and cultural globalization has meant lifelong exposure to aggressive materialism and consumerism. Technological advances and rapid social changes have also triggered a dawning realization of the globalized digital age: that the industrial system that produces commodified lifestyle products is reaching its saturation point to the deep detriment of the environment and at the cost of natural resources. In view of the impact that industrial manufacturing systems have, people begin to pay more attention to the rhythm of life.


Current consumer trends have led to a search for new economic systems and business models that can accommodate changing lifestyles in a sustainable manner. This will open up opportunities for Thai crafts born out of creativity and sociocultural capital mixed with modern knowledge and technology to have a bigger role in the global market.





Photo: pascal-amez/unsplash.com





It is essential that public and private sector entities have clear goals to unlock the potential of the craft industry in Thailand. Several priorities that may prove of greatest importance to the craft industry going forward are the creation of a clear brand identity for Thai products, repositioning the image of traditional crafts so that they align with modern sensibilities, and upscaling quality standards for goods made by local communities so as to help them fit into the everyday lives of consumers. Traditional artisans and creative entrepreneurs alike take part in adding value to creative products, which is why driving the craft industry forward will help to revitalize the local wisdom that is the bedrock of Thai society. Embedding the traditional in the everyday artifacts of modern life helps to safeguard the past against fading away under the harsh light of the future. To promote the work of craftspeople is not only to help promote economic growth and a higher quality of living among communities across the country, but also a means to ensure that the full richness of Thai culture and tradition live on for generations to come.

## REFERENCES

- Creative & Cultural Skills. (2009) The Craft Blueprint. Available online at: <https://ccskills.org.uk/supporters/advice-research/article/the-craft-blueprint-a-workforce-development-plan-for-craft-in-the-uk>
- Creative & Cultural Skills. (2008). Creative Blueprint England. Available online at: [http://blueprintfiles.s3.amazonaws.com/1319724744-89\\_147\\_Creative-Blueprint-England.pdf](http://blueprintfiles.s3.amazonaws.com/1319724744-89_147_Creative-Blueprint-England.pdf)
- Creative Industries Council (cic). Create UK: A Strategy for the Creative Industries to 2020 Available online at: <http://www.thecreativeindustries.co.uk/media/287538/create-uk-progress-update-mar-9.pdf>
- Creative Industries Council (cic). CREATE TOGETHER. Available online at: <http://www.thecreativeindustries.co.uk/media/367095/final-version-july-5.pdf>
- Creative Industries Division, Ministry of Economy, Trade and Industry. (2012). Cool Japan Strategy. Available online at: [http://www.meti.go.jp/english/policy/mono\\_info\\_service/creative\\_industries/pdf/120116\\_01a.pdf](http://www.meti.go.jp/english/policy/mono_info_service/creative_industries/pdf/120116_01a.pdf)
- Cabinet Office, Government of Japan. (2014). Cool Japan Initiative. Available online at: [http://www.cao.go.jp/cool\\_japan/english/pdf/cooljapan\\_initiative.pdf](http://www.cao.go.jp/cool_japan/english/pdf/cooljapan_initiative.pdf)
- Kakiuchi E. and Takeuchi K. (2014). Creative industries: Reality and potential in Japan. Available online at: <http://www.grips.ac.jp/r-center/wp-content/uploads/14-04.pdf>
- Public Relations Office, Government of Japan. (2013). Crafts Renaissance Project "WAO". Available online at: <https://mnj.gov-online.go.jp/wao.html>
- สุวิทย์ เมษินทรีย์. แนวคิดเกี่ยวกับประเทศไทย 4.0 สามารถเข้าถึงได้จาก [http://planning2.mju.ac.th/government/20111119104835\\_planning/Doc\\_25590823143652\\_358135.pdf](http://planning2.mju.ac.th/government/20111119104835_planning/Doc_25590823143652_358135.pdf)
- สำนักงานคณะกรรมการพัฒนาการเศรษฐกิจและสังคมแห่งชาติ. (2552). รายงานการศึกษาเบื้องต้นเศรษฐกิจสร้างสรรค์ The Creative Economy. สามารถเข้าถึงได้จาก [http://www.nesdb.go.th/ewt\\_dl\\_link.php?nid=3788](http://www.nesdb.go.th/ewt_dl_link.php?nid=3788)

