

The Role of Public Policy in Transforming the Workforce Structure towards an Entrepreneurial Economy: Policy Recommendations at the National, Regional, and Local levels

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Abstract

This study examines the influence of public policy on the transformation of Thailand's labor force structure into an entrepreneurial economy. The aim is to analyze existing policy frameworks, identify structural and institutional constraints within Thailand's entrepreneurial ecosystem, and provide a comprehensive multi-tiered policy framework at the national, regional, and local levels. The study employs a qualitative documentary methodology in conjunction with policy analysis. Data was gathered from national policy documents, economic development strategies, legislation, regulatory frameworks, and academic literature cataloged in both international and national databases. The analysis was guided by the principles of human capital, structural transformation, entrepreneurial economy, and multi-tiered governance. The results demonstrate that although Thailand shows significant entrepreneurial activity, the workforce is mainly defined by informal employment and micro-enterprises, which have limited scalability and productivity. Current policies demonstrate strengths in promoting innovation and entrepreneurship strategically; however, significant challenges persist in policy coordination, institutional integration, access to significant policy with-oriented financing, and the alignment of educational outcomes with entrepreneurial skills. The analysis reveals significant policy shortcomings related to fragmented governance, uneven regional development, and insufficient support for innovation-oriented enterprises. The study promotes a multi-faceted policy framework that emphasizes competency-based entrepreneurial education, legislative and institutional change, funding methods for scaling, and the creation of regionally adapted entrepreneurial ecosystems. The results demonstrate that public policy is crucial for improving entrepreneurial participation and influencing the quality, scalability, and structural influence of entrepreneurship on sustained productivity growth and economic transformation.

Keywords: Public policy, Entrepreneurial economy, Labor force transformation, Human capital, Multi-level governance, Entrepreneurial ecosystem

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Introduction

Economic development and national prosperity are generally assessed through GDP per capita, reflecting average income, productivity, and living standards. Sustainable growth depends not just on increasing output but also on structural changes that enable the movement of labor and firms to higher-productivity sectors. Entrepreneurship is essential for creating jobs, promoting innovation, diversifying economic activities, and improving national competitiveness (Tripopsakul & Pichyangkul, 2018; Global Entrepreneurship Monitor, 2025).

The transition to an entrepreneurial economy in Thailand is impeded by numerous social policy issues. Despite considerable entrepreneurial activity, a large portion of the workforce is involved in informal employment, self-employment, and micro-enterprises, which are marked by limited productivity and scalability. This status indicates economic hardship and a social policy challenge, as informality is associated with income instability, insufficient social protection, limited access to credit, and uneven opportunities across regions. Thus, simply increasing the number of entrepreneurs is insufficient unless public policy simultaneously tackles the quality, inclusivity, and structural effects of entrepreneurial activities.

Current data suggests that Thailand's entrepreneurial landscape continues to face institutional and structural limitations. These include insufficient entrepreneurship education, weak links between research and commercialization, regulatory barriers, limited access to growth-oriented financing, and inconsistent regional support systems. Research suggests that Thailand's external entrepreneurial environment, including government policies, educational systems, and innovation assistance, is relatively underdeveloped compared to several other countries (Tripopsakul, 2015). The limitations are further highlighted by the discrepancy between educational outcomes and labor market requirements, marked by a very high unemployment rate among graduates and a constrained rate of business formation relative to the available workforce (Wongtaweelat et al., 2025).

Global literature emphasizes that entrepreneurship can drive economic transformation by promoting job creation, innovation, and productivity improvement (Van Stel et al., 2005). However, the impact of entrepreneurship is heavily dependent on the quality of institutions, the consistency of policies, and the government's ability to harmonize education, finance, regulation, innovation systems, and local economic development. Thus, Thailand's principal policy challenge is not merely to promote entrepreneurship as an alternative to salaried employment, but to create a unified regulatory framework that supports opportunity-driven, innovation-centric, and scalable entrepreneurship.

Despite the growing emphasis on fostering entrepreneurship in Thailand, contemporary research often examines education policy, SME support, innovation policy, and labor market transformation in isolation. Limited research has incorporated these elements into a multi-tiered policy framework that connects national initiatives, regional development frameworks, and local entrepreneurial ecosystems. An intensified analytical focus is necessary on how public policy may address informality, inequality, regional disparities, and institutional fragmentation throughout the transition to an entrepreneurial economy.

This essay advances the field of social policy and development by analyzing the influence of public policy on the structural transformation of Thailand's labor force towards an entrepreneurial economy. It highlights the recognition of policy shortcomings, institutional constraints, and

coordination challenges at national, regional, and local levels. The paper also presents a detailed multi-layered policy framework aimed at improving entrepreneurial human capital, enabling access to finance, reducing regulatory barriers, and promoting adaptable regional entrepreneurial ecosystems. The study argues that public policy should transition from just increasing entrepreneurial participation to enhancing the quality, scalability, and inclusiveness of entrepreneurship to attain lasting structural transformation.

Research Objectives

This study aims to: (1) Examine the influence of public policies on the development of Thailand's labor force in relation to an entrepreneurial economy. (2) Analyze the structural and institutional barriers within Thailand's entrepreneurial ecosystem, particularly in relation to education, governance, finance, and regional inequalities. (3) Propose a detailed multi-tiered policy framework to promote entrepreneurial development at the national, regional, and local levels.

Literature Review

1. Human Capital, Informality, and Entrepreneurial Capability

Human capital theory explains economic development through investment in education, skills, and training which increases individual productivity and promotes national wealth (Becker, 1962; Schultz, 1961). In endogenous growth theory, the attainment of knowledge and the cultivation of skills are crucial for sustained improvements in productivity (Lucas, 1988; Romer, 1990). In the context of entrepreneurial transformation, human capital should not be regarded merely as formal education or technical expertise. It should include entrepreneurial competencies such as opportunity identification, risk evaluation, innovation proficiency, resource mobilization, and business administration.

This distinction is crucial for Thailand, as the challenge lies not merely in a lack of educated individuals, but in a dissonance between educational achievement and the skills required for opportunity-driven entrepreneurship. Entrepreneurship education can improve entrepreneurial intention and performance by prioritizing experiential learning, mentoring, and real firm engagement above traditional classroom instruction (Martin et al., 2013; Bae et al., 2014). Investigations in Thailand indicate that entrepreneurial intention is affected by attitudes, perceived behavioral control, perceived support, and institutional conditions (Tripopsakul & Pichyangkul, 2018; Sorakraikitikul et al., 2024; Tapachai, 2022; Wongtaweelat et al., 2025; Pithayanukul & Pithayanukul, 2025). Therefore, human capital policy must be linked to social policy concerns, such as disparities in access to quality education, geographical inequities, and the limited ability of informal workers and micro-entrepreneurs to develop their skills.

2. Structural Transformation, Informal Employment, and Inequality

The structural change theory asserts that economic progress occurs when labor and resources shift from low-productivity sectors to higher-productivity activities (Lewis, 1954). Subsequent research indicates that growth depends not only on job creation but also on productivity-enhancing reallocation between sectors, enterprises, and regions (Herrendorf et al., 2014; McMillan & Rodrik,

2011). From this perspective, entrepreneurship may drive structural transformation by introducing innovation, improving productive activities, and creating higher-quality job opportunities.

However, entrepreneurship does not inherently lead to structural improvement. In countries with significant informal sectors, high rates of self-employment may reflect necessity-driven survival rather than productivity-boosting entrepreneurship. This is particularly relevant for Thailand, where informal employment and micro-enterprises are significant. These conditions raise important social policy concerns, as informality is often associated with income volatility, insufficient social security, limited access to credit, and regional inequalities. Thus, the policy issue is not just to increase the number of entrepreneurs, but to shift entrepreneurial activities from low-productivity, necessity-driven ventures to more formal, innovative, and scalable enterprises.

3. Entrepreneurial Economy and the Quality of Entrepreneurship

The entrepreneurial economy underscores the importance of entrepreneurship in promoting innovation, commercializing knowledge, improving competitiveness, and creating jobs (Wennekers & Thurik, 1999; Audretsch & Keilbach, 2004; Van Stel et al., 2005). The literature suggests that the relationship between entrepreneurship and economic growth is dependent on specific circumstances. Entrepreneurial activity promotes growth more effectively when driven by opportunity, centered on innovation, and supported by strong institutions (Van Stel et al., 2005; Acs et al., 2018).

Distinguishing between the quantity and quality of entrepreneurship is crucial. A substantial increase in the number of businesses may not enhance GDP per capita if most organizations operate informally, demonstrate low productivity, and lack scalability. High-growth firms, termed "gazelles," are notably important due to their substantial contributions to job creation, innovation, and productivity improvement (Henrekson & Johansson, 2010). For Thailand, this signifies that entrepreneurship policy should extend beyond conventional startup promotion to focus more clearly on business quality, innovation capacity, productivity, and scalability.

4. Entrepreneurial State, Institutional Constraints, and Policy Design

The entrepreneurial state perspective asserts that the public sector can actively shape markets, promote innovation, and undertake risks that the private sector may avoid (Mazzucato, 2013). This viewpoint is advantageous for understanding the role of public policy in promoting innovation-driven enterprises, startup ecosystems, and ongoing investment. The literature warns that state intervention may be ineffective if policy design is deficient, politically driven, misdirected, or disconnected from market realities (Lerner, 2009, 2013).

This tension is substantial for Thailand. Public policy can promote entrepreneurial transformation through educational reform, financial instruments, tax incentives, infrastructure development, and regulatory modifications. These strategies are effective only when incorporated into proficient institutions that have transparent selection processes, clear performance metrics, and strong implementation capabilities. Evidence indicates that while policy support for Thailand's innovation-driven firms and startup ecosystem is there, institutional fragmentation, regulatory obstacles, and inadequate coordination persistently hinder entrepreneurial advancement (Chairatana et al., 2024; Thawesaengskulthai et al., 2024). Access to finance is impeded by the quality of information,

investment readiness, and geographical inequities (Paulson & Townsend, 2004; Sarapaivanich & Kotey, 2006; Ahmad et al., 2024).

5. Multi-level Governance and Coordination Constraints

Multi-level governance defines the allocation of policy authority and implementation duties across national, regional, and local levels (Bache & Flinders, 2004a; Bache & Flinders, 2004b; Jessop, 2004). This approach is particularly relevant to entrepreneurship policy, as entrepreneurial development requires coordination across education, finance, labor policy, innovation systems, local economic development, and regulatory agencies.

In practice, fragmented governance can reduce policy effectiveness. National policies may establish broad objectives; nevertheless, regional and local institutions often determine entrepreneurs' access to financing, markets, infrastructure, mentorship, and administrative support. Insufficient vertical coordination between central and local agencies, along with inadequate horizontal coordination among ministries and support organizations, may lead to program duplication, inequitable access, and implementation failures. Thus, entrepreneurial transformation should be analyzed not only as an economic event but also as a governance concern.

Regional and local entrepreneurial ecosystems are particularly significant due to the uneven distribution of business possibilities across different areas. The literature on ecosystems emphasizes the importance of networks, institutions, funding, skills, infrastructure, and local culture in shaping entrepreneurial outcomes (Stam, 2015). Regional innovation systems, incubators, accelerators, and local clusters enable entrepreneurs to connect with expertise, investors, and markets (Isabelle, 2013; Pauwels et al., 2016; Audretsch & Keilbach, 2004). Place-based policy should take into account regional capabilities and structural disparities rather than applying homogeneous policy models universally (Duranton & Venables, 2018).

6. Policy Instruments for Entrepreneurial Transformation

The literature outlines multiple policy instruments that can promote entrepreneurial transformation, including entrepreneurship education, financial incentives, venture capital systems, regulatory changes, innovation centers, incubators, and local enterprise development. Nonetheless, these approaches are successful only when integrated into a coherent policy framework.

Education policy ought to emphasize the development of entrepreneurial competencies rather than only fostering entrepreneurial intention (Martin et al., 2013; Bae et al., 2014). Secondly, financial policy must accommodate the diverse stages of firm development, from the formalization of micro-enterprises to innovation-driven growth (Paulson & Townsend, 2004; Sarapaivanich & Kotey, 2006; Prasannath et al., 2024). Third, regulatory policy should reduce entry barriers, compliance costs, and administrative burdens that impede formalization and corporate expansion (Djankov et al., 2002; Audretsch et al., 2024; Mai et al., 2025). Fourth, regional and local policies must support ecosystems that correspond with local industrial structures, cultural resources, and competitive strengths (Evans, 2009; Stam, 2015).

The literature suggests that entrepreneurship policy should not be viewed as a singular sector intervention. This is an extensive policy framework that encompasses human capital, labor market transformation, social protection, regional development, innovation policy, and institutional reform.

7. Synthesis of the Literature

The examined literature suggests that the shift to an entrepreneurial economy necessitates more than merely augmenting the number of entrepreneurs. The outcome is contingent upon the interplay of human capital development, structural transformation, institutional quality, governance coordination, and regional ecosystem capacity. The primary concern for Thailand is not merely entrepreneurial engagement, but rather the capacity of public policy to convert fragmented, informal, and low-productivity entrepreneurial endeavors into a more inclusive, innovative, and scalable economic framework.

This change must tackle three interconnected barriers from a social policy standpoint. Initially, informality constrains productivity, social protection, and access to formal support systems. Inequality influences disparate access to education, financial resources, networks, and regional opportunities. Third, institutional and governance limitations diminish the efficacy of policy instruments in achieving coordinated and lasting results. A comprehensive examination of the literature underscores the necessity for a cohesive multi-tiered policy framework that aligns national policy formulation with regional and local implementation capabilities.

Research Methodology

1. Research Design

This study employed a qualitative documentary research design in conjunction with policy analysis to examine the impact of public policy on the evolution of Thailand's labor force structure towards an entrepreneurial economy. Documentary research was selected for its ability to rigorously examine policy frameworks, institutional structures, development strategies, and scholarly discourse related to entrepreneurship, labor transformation, and economic development. The study analyzed the impact of governmental policies on entrepreneurial ecosystems, labor market structures, and institutional coordination across national, regional, and local levels.

The research utilized an analytical policy framework to evaluate the congruence of policy aims, implementation tactics, and structural outcomes. The analysis emphasized the social policy dimensions of informality, inequality, institutional fragmentation, and governance constraints affecting entrepreneurial advancement.

2. Data Sources and Document Selection

Data were collected from four principal categories of documentary sources.

First, national policy documents were examined, including national economic and social development plans, strategies for promoting entrepreneurship, policies for the development of SMEs and startups, labor market regulations, innovation policies, and educational reform frameworks relevant to entrepreneurial development.

Secondly, an examination was performed on statutes, regulations, and institutional policy instruments. These included measures related to business registration, investment promotion, support for SMEs, taxation, innovation incentives, and administrative reforms affecting entrepreneurial activities and formal business growth.

Third, academic resources indexed in international and national databases were analyzed. International sources were primarily obtained from Scopus-indexed articles and reports from organizations such as the OECD, World Bank, and Global Entrepreneurship Monitor (GEM). Thai academic literature was sourced from the Thai Journal Citation Index (TCI) database and additional peer-reviewed scholarly sources pertinent to entrepreneurship, labor structure, public policy, and regional development.

Fourth, comparative policy reports and international research on entrepreneurial ecosystems, innovation systems, and multi-level governance were utilized to position Thailand's policy environment within broader international discourse.

3. Inclusion and Exclusion Criteria

The research employed clear inclusion and exclusion criteria to enhance methodological transparency and analytical consistency.

Documents were included upon satisfying the following criteria: (1) The topics covered entrepreneurship entrepreneurship, labor force transformation, SME/startup development, innovation policy, education policy, regional development, or governance mechanisms; (2) The content was directly pertinent to Thailand or offered internationally acknowledged comparative frameworks applicable to Thailand's context; (3) The sources were derived from official government agencies, esteemed international organizations, peer-reviewed academic journals, or recognized academic databases; (4) The materials presented a comprehensive discussion on policy design, implementation, institutional structures, or entrepreneurial ecosystems.

Documents were excluded when: (1) They lacked definitive authorship or institutional credibility; (2) They concentrated exclusively on technical business management devoid of policy significance; (3) They were opinion-based without empirical or analytical substantiation; (4) They replicated information already addressed in more authoritative sources.

Recent academic and policy sources were prioritized, although basic theoretical works relevant in entrepreneurship, structural transformation, human capital, and governance studies were preserved.

4. Search Strategy and Time Frame

The document search included a systematic keyword strategy across many databases and institutional repositories. Essential search phrases encompassed combinations of: "entrepreneurial economy," "entrepreneurship policy," "labor force transformation," "human capital," "SMEs," "startup ecosystem," "innovation policy," "multi-level governance," "informal economy," "regional development," and "Thailand."

Academic literature was predominantly sourced from Scopus, TCI, Google Scholar, OECD studies, World Bank publications, GEM reports, and official government websites. The review primarily examined literature produced from 2000 to 2025 to encapsulate recent advancements in entrepreneurship policy and structural transformation. Nonetheless, foundational theoretical works published previously were incorporated due to their enduring conceptual significance, especially those pertaining to human capital theory, structural transformation, endogenous growth theory, and governance studies.

5. Analytical Framework and Operationalization

The research utilized four interrelated theoretical frameworks for analysis: human capital theory, structural transformation theory, entrepreneurial economy/state theory, and multi-level governance.

The human capital theory was implemented to analyze the impact of education policy, skill development, and entrepreneurial competencies on labor force quality and entrepreneurial capacity. Special emphasis was placed on experiential learning, entrepreneurial intent, and the discrepancy between school outcomes and job market requirements.

The theory of structural transformation was employed to examine the migration of labor from low-productivity and informal industries to higher-productivity entrepreneurial ventures. This framework guided the examination of informality, productivity constraints, company scalability, and regional disparity within Thailand's labor system.

The entrepreneurial economy and entrepreneurial state frameworks were utilized to evaluate the influence of public policy on fostering innovation, startup ecosystems, financial instruments, and institutional backing for entrepreneurship. These frameworks were employed to assess the impact of government policies on the amount and quality of entrepreneurial activity.

Theory of multi-level governance was employed to examine policy coordination among national, regional, and local tiers. The approach facilitated the evaluation of institutional fragmentation, governance ability, implementation limitations, and coordination mechanisms among governmental agencies and regional stakeholders.

Collectively, these frameworks offered a cohesive analytical perspective for investigating the interplay between policy formulation, institutional frameworks, and entrepreneurial development.

6. Data Analysis Procedure

The research utilized qualitative content analysis and policy analysis methods to systematically interpret the gathered materials.

The initial phase entailed open coding, during which principal themes and recurring topics were discerned from the materials. The preliminary coding categories encompassed entrepreneurial promotion, human capital development, labor market transformation, informal employment, innovation assistance, SME financing, institutional coordination, and regional development. The second stage entailed axial coding, during which linked codes were consolidated into more comprehensive analytical categories. The categories encompassed entrepreneurial human capital,

governance coordination, financial accessibility, regulatory frameworks, entrepreneurial ecosystems, and methods for structural transformation.

The third stage involved selective coding and interpretive synthesis. At this juncture, the coded themes were linked to the theoretical frameworks and policy aims to discern trends, contradictions, and structural policy deficiencies.

A policy gap analysis was performed to evaluate discrepancies between: (1) policy objectives and implementation mechanisms, (2) entrepreneurship promotion and institutional capacity, (3) educational outcomes and entrepreneurial competencies, (4) national policy strategies and regional/local implementation conditions.

Comparative analysis was employed to investigate how worldwide entrepreneurship policy strategies and governance frameworks can offer pertinent insights for Thailand's situation.

7. Trustworthiness and Validation

Multiple tactics were utilized to enhance the credibility and reliability of the analysis.

Initially, data triangulation was employed by contrasting evidence from policy documents, scholarly literature, and international institutional reports. This diminished dependence on a singular source category and enhanced analytical coherence.

Secondly, source prioritization was employed to enhance reliability. Increased analytical emphasis was placed on peer-reviewed scholarly publications, official government documents, OECD reports, GEM reports, and globally acknowledged institutional sources.

Third, theoretical triangulation was utilized by including many theoretical frameworks instead of depending on a singular explanatory viewpoint. This methodology improved the analytical rigor of the study and facilitated the interpretation of entrepreneurship as both an economic and governance concern.

The coding and interpretation process was consistently evaluated against the study objectives and analytical frameworks to maintain coherence across evidence, interpretation, and results.

Research Findings

The research findings on the role of public policy in transitioning the workforce structure towards an entrepreneurial economy are presented below, including national, regional, and local policy recommendations:

1. Thailand's Labor Force Structure

1.1 Proportion of Employees and Entrepreneurs

Documented evidence repeatedly indicates that Thailand's labor market is defined by a considerable proportion of wage-earning employment with a substantial informal sector and self-employment, rather than a scalable, opportunity-driven entrepreneurial framework. The National

Statistical Office (Labor Force Survey, Q1/2024) reported that about 39.58 million people were working out of a total labor force of 40.23 million. Overall employment numbers suggest that the economy is absorbing workers, but other structural indicators show that job quality and business formalization are still problems.

A key indicator is the proportion of self-employment. An ILO estimate based on the World Bank model indicates that self-employment accounted for 52.1% of total employment in 2023. Furthermore, the OECD's Survey of Thailand (2025) indicates that 52.7% of the workforce is in the informal sector. (The 2024 Informal Employment Survey Report) shows that more than half of the workforce works outside of formal employment protection.

From the standpoint of the entrepreneurship process, GEM data indicate significant engagement in entrepreneurial activities; yet, the quality and scalability of the outcomes are variable. According to the GEM Thailand summary report (linked to OSMEP), 36.4% of adults are entrepreneurs (Repeated phase, improvement: 11.1% are nascent entrepreneurs, 11.3% are new business owners, and 14.2% are running established businesses). The report also points out that there are regional differences, such as more early-stage activity in the Northeast and more established businesses in the Central region. This trend aligns with the existing literature on entrepreneurship development, which cautions that a high market entry rate does not inherently result in enhanced productivity unless the caliber of entrepreneurs and their capacity for business growth are elevated (Audretsch & Keilbach, 2004; Van Stel et al., 2005; Wennekers & Thurik, 1999).

1.2 Structural problems embedded in the composition of the labor force

Correction: From different sources, the primary structural flaws can be summarized as follows: (1) A lot of people work for themselves or informally, which is generally linked to low productivity and little social security. This makes it hard to keep per capita GDP growth going; (2) Unequal possibilities for entrepreneurship across regions, corroborated by studies indicating that financial limitations and ecological deficiencies exert a more significant influence in economically disadvantaged areas (Paulson & Townsend, 2004); and (3) A significant quantity of micro-enterprises that do not achieve scalability, a phenomenon frequently linked to insufficient external investment, capacity deficiencies, and institutional discord (Sarapaivanich & Kotey, 2006; Thawesaengskulthai et al., 2024).

2. Analysis of Current Policy Directions

This document analysis indicates that Thailand's business-related policy directions are strategically ambitious but lack systematic tools and implementation at various management levels.

2.1 Policy Strengths

2.1.1. Clear acknowledgment of entrepreneurship as a fundamental driver of progress. National and ecosystem reports focus on encouraging innovation, making it easier to get funding, and boosting business skills. This is in line with the idea of an "entrepreneurial economy/state," where public policy may change markets and make new ideas possible (Mazzucato, 2013).

2.1.2. Increasing attention is being given to create an ecosystem. Documents about the Thai startup ecosystem show that institutions are becoming more interested in ecosystem parts, including

incubation, innovation assistance, and ecosystem mapping. International literature substantiates the notion that the quality of the ecosystem is essential for converting entrepreneurial endeavors into economic results (Audretsch & Keilbach, 2004).

2.1.3. More attention is being paid to Innovation-Driven Enterprises (IDEs). Recent research on IDEs in Thailand underscores regulatory initiatives and processes designed to enhance the investment ecosystem and mitigate obstacles for innovation-driven enterprises. (Thawesaengskulthai et al., 2024)

2.1.4. The Use of Government Support Tools (Both Financial and Non-Financial): International evidence suggests that government support policies can directly and indirectly enhance SME efficiency by fostering an entrepreneurial spirit, although the quality of the design is crucial (Prasannath et al., 2024; Lerner, 2013).

2.2. Weaknesses of Policy

2.2.1. Overemphasis on “More Entrepreneurs” versus “Better Entrepreneurs”: Research highlights that regulations, finance, and institutional structures contribute to both the quantity and quality of entrepreneurship (Audretsch et al., 2024; Van Stel et al., 2005). Policy documents often focus on participation and the number of startups, but scaling and productivity enhancement do not appear to be systematically integrated into the operational design.

2.2.2. Segmentation and Coordination Problems: Research on multi-level management warns that when responsibility spans agencies and levels, failures in coordination can reduce policy effectiveness. This is evident in the fragmented roles in education, SME support, finance, and local economic development, which often lack a single, integrated transition framework linking educational pathways to entrepreneurship and scaling (Bache & Flinders, 2004a; Jessop, 2004).

2.2.3. Operational Risks and Underperforming Programs: Entrepreneurship policy documents have documented the frequent failures of government initiatives when incentives, target setting, and management mechanisms are weak, underscoring the need for evidence-based program design (Lerner, 2009, 2013).

2.3 Policy Gaps: This study identifies three key policy gaps:

Gaps 1: Educational pathways to entrepreneurship are not sufficiently “competency-based.” Meta-analysis evidence shows that entrepreneurship education can improve outcomes, but the magnitude of the impact depends on program design and experiential learning (Martin et al., 2013; Bae et al., 2014). Specific studies in Thailand have repeatedly shown that entrepreneurial intent is determined by attitudes, perceived control, and perceived support, including education and government support. (Sorakraikitikul et al., 2024; Wongtaweelat et al., 2025; Tapachai, 2022; Pithayanukul & Pithayanukul, 2025). However, the system continues to prioritize functionality as an initial outcome.

Gap 2: Scaling-oriented financing and investment readiness remain constrained. Evidence from Thailand shows that access to external funding depends on information quality and investment readiness (Sarapaivanich & Kotey, 2006), while household/regional constraints impact entrepreneurial startup and expansion (Paulson & Townsend, 2004). This highlights the need for stronger linkage

mechanisms, including credit/investment products aligned with the SME lifecycle, investment readiness support, and region-aware access to funding.

Gap 3: Regulatory and administrative barriers persist. Research indicates that regulatory administrative procedures and costs impact entrepreneurial outcomes (Audretsch et al., 2024), and excessive regulatory burdens may diminish entrepreneurship by increasing transaction costs and risks (Mai et al., 2025). Further policy evidence highlights the need to simplify regulations and improve incentives to promote formal registration.

3. Structural Limitations

3.1 Limitations of the Education System

Studies show that entrepreneurship education is only useful when it teaches people how to see opportunities, run a business, and network, not just facts. Meta-analysis substantiates a positive correlation between entrepreneurial education and entrepreneurial intention/outcomes (Martin et al., 2013; Bae et al., 2014). Numerous studies in Thailand, particularly those associated with TCI, demonstrate that entrepreneurial intention is markedly affected by perceived behavioral controls, attitudes, and educational characteristics (Sorakraikitikul et al., 2024; Tapachai, 2022; Wongtaweelat et al., 2025; Pithayanukul & Pithayanukul, 2025). Consequently, the structural constraint is less about a "lack of education" being a major problem and more about the disparity between educational performance and the cultivation of entrepreneurial skills.

3.2 Limitations of Bureaucracy and Management

From a management perspective, multi-level coordination is critical because policies in education, finance, innovation, and labor management all affect support for entrepreneurship. and the growth of the local economy (Bache & Flinders, 2004a; Jessop, 2004). However, the difficulty of following rules and procedures may reduce entrepreneurial entry rates. This could lead to more informal and necessary forms of entrepreneurship instead of scalable investments (Audretsch et al., 2024; Mai et al., 2025). Policy sources also stress that making rules easier to understand is an important way to formally start a firm and boost efficiency.

3.3 Limitations on Access to Capital

Evidence from Thailand shows that financial problems change the way people start businesses and make regional inequities worse (Paulson & Townsend, 2004). Research at the company level indicates that the quality of information and readiness for investment have a substantial effect on SMEs' ability to get outside capital, which in turn affects how well they run their businesses (Sarapaivanich & Kotey, 2006). Research on innovation and entrepreneurship in Thailand also reveals obstacles within the investment ecosystem, underscoring the necessity for integrated processes that link enterprises with investors and suitable funding instruments. (Thawesaengskulthai et al., 2024) Moreover, a TCI-based study investigating financial accessibility and SME performance highlights the significance of funding as a predictor of business results (Ahmad et al., 2024).

3.4 Culture of Risk and Fear of Failure

GEM-based documents report that Thai adults exhibit significant hesitation due to fear of failure, which may hinder entrepreneurship and opportunity-driven business expansion. Further academic evidence suggests that fear of failure can stifle innovation and may require gender and context-sensitive training and support designs (Guelich, 2022). Overall, the constraints are not solely due to "risk avoidance," but rather the interaction between fear of failure and limited safety nets, informality, and limited access to funding and mentorship.

4. Policy Recommendations

This section proposes evidence-based policy approaches at the national, regional, and local levels to strengthen Thailand's transition from an employment-centric workforce to a high-quality entrepreneurial economy. These recommendations are designed to address the structural limitations identified in Section 4 and align with international best practices.

4.1 National Level

4.1.1 National Curriculum Reform to Enhance Entrepreneurial Capacity

Recommendation: National education policy should integrate entrepreneurial education at all levels of education (secondary to tertiary), emphasizing experiential learning, business creation, and market validation.

Rationale and Evidence: Empirical studies consistently show that traditional curricula focused on technical knowledge and employment limit students' entrepreneurial readiness. Meta-analysis evidence has found a positive correlation between entrepreneurial education and both entrepreneurial intention and outcomes when curricula emphasize experiential and problem-solving learning (Bae et al., 2014; Martin et al., 2013). In Thailand, research shows that entrepreneurial attitudes, perceived behavioral control, and a supportive environment are significant predictors of entrepreneurial intention. (Sorakraikitikul et al., 2024; Wongtaweelat et al., 2025)

4.1.2 Recommend tax incentives targeted at entrepreneurs and growing businesses.

Recommendation: Design tax policies that incentivize early-stage startups and growing businesses, including tax exemptions on reinvested profits, R&D credits for innovative activities, and tax breaks for high-growth companies.

Rationale and Evidence: International evidence shows that well-structured tax incentives can mitigate risk and improve resource allocation for innovative ventures (Lerner, 2013). Tax breaks linked to specific performance benchmarks can balance the need to stimulate entrepreneurship while avoiding unnecessary losses or exploitation.

4.1.3 Establish a national startup and scaling fund.

Recommendation: Create dedicated public funding mechanisms and venture capital funds that provide long-term funding and investment-readiness support for early-stage and scaling firms.

These should be designed to attract private sector funding, provide consultation, and connect companies with global markets.

Rationale and Evidence: The “entrepreneurial state” framework emphasizes the role of public sector actors in taking risky investments to stimulate private sector participation (Mazzucato, 2013). Comparative research shows that public sector initial funding and venture capital promote business establishment and expansion when combined with management structures that ensure merit-based allocation (Lerner, 2009; Prasannath et al., 2024).

4.1.4 Business Law and Management Framework Reform

Recommendation: Simplify business registration, reduce bureaucratic barriers to company formation, and modernize bankruptcy and contract enforcement systems to lower transaction costs for entrepreneurs.

Rationale and Evidence: Regulatory barriers and compliance costs have been repeatedly identified as obstacles, particularly for new and small companies, reducing the incentive to establish and expand businesses (Mai et al., 2025). OECD analysis also indicates that regulatory complexity is a significant hindrance to productivity and formality (OECD, 2025).

4.2 Regional Level

4.2.1 Establishing Regional Economic Zones Focusing on Specific Sectors

Recommendation: Develop regional economic zones based on comparative advantages, such as agro-industry clusters, digital technology clusters, and creative industries, to attract investment, promote expertise, and coordinate skills training with key sectors.

Rationale and Evidence: Literature on structural transformation emphasizes the expertise and impact of industry clusters as drivers of productivity and innovation (Herrendorf et al., 2014). Regional industry clusters facilitate the sharing of infrastructure, labor integration, and knowledge transfer that support the scaling of entrepreneurs.

4.2.2 Creating Regional Innovation Hubs

Recommendation: Establish regional innovation hubs that bring together universities, research institutions, local companies, government agencies, and investors to collaboratively design innovation agendas and facilitate their commercialization.

Rationale and Evidence: Research on regional innovation systems highlights that coordinated networks enhance the flow of knowledge and increase the success rate of startups (Audretsch & Keilbach, 2004). Regional hubs serve as platforms for implementing best practices at the local level and integrating education with industry needs.

4.2.3 Promoting Spatial Industrial Development

Recommendation: Adapt industrial development policies to the specific potential of regional economies. Taking into account the dynamics of local supply chains and labor strengths.

Rationale and Evidence: Spatial policy approaches recognize that institutional, geographical, and socio-economic contexts contribute to development outcomes. Comparative policy studies have shown that area-adapted industrial strategies yield stronger results than a one-size-fits-all approach (Rodríguez-Pose & Hardy, 2021).

4.3 Local Level

4.3.1 Community-Based Entrepreneurship Development Programs

Recommendation: Support community-based entrepreneurship initiatives that assist local small businesses, service businesses, and small-scale innovation projects, linking these projects to opportunities for accessing regional markets.

Rationale and Evidence: Local entrepreneurship programs can build social capital and stimulate untapped local resources while promoting the formalization of informal sectors (Stam, 2015). Programs emphasizing networking and mentoring will enhance resilience and gradual innovation.

4.3.2 Establishing Local Incubators and Collaborative Workspaces

Recommendation: Invest in local incubators, accelerators, and collaborative workspaces that provide mentoring services, prototyping facilities, business support services, and connections with investors.

Rationale and Evidence: Evidence from the entrepreneurial ecosystem shows that incubators and accelerators increase the survival and growth rates of startups by providing systematic support, formal networks, and market exposure (Isabelle, 2013; Pauwels et al., 2016). These facilities can be adapted to the local economic base and talent pool.

4.3.3 Supporting the Creative and Cultural Economy

Recommendation: Promote creative industries and cultural enterprises at the municipal level through grants, festivals, and branding campaigns that increase market visibility for local producers.

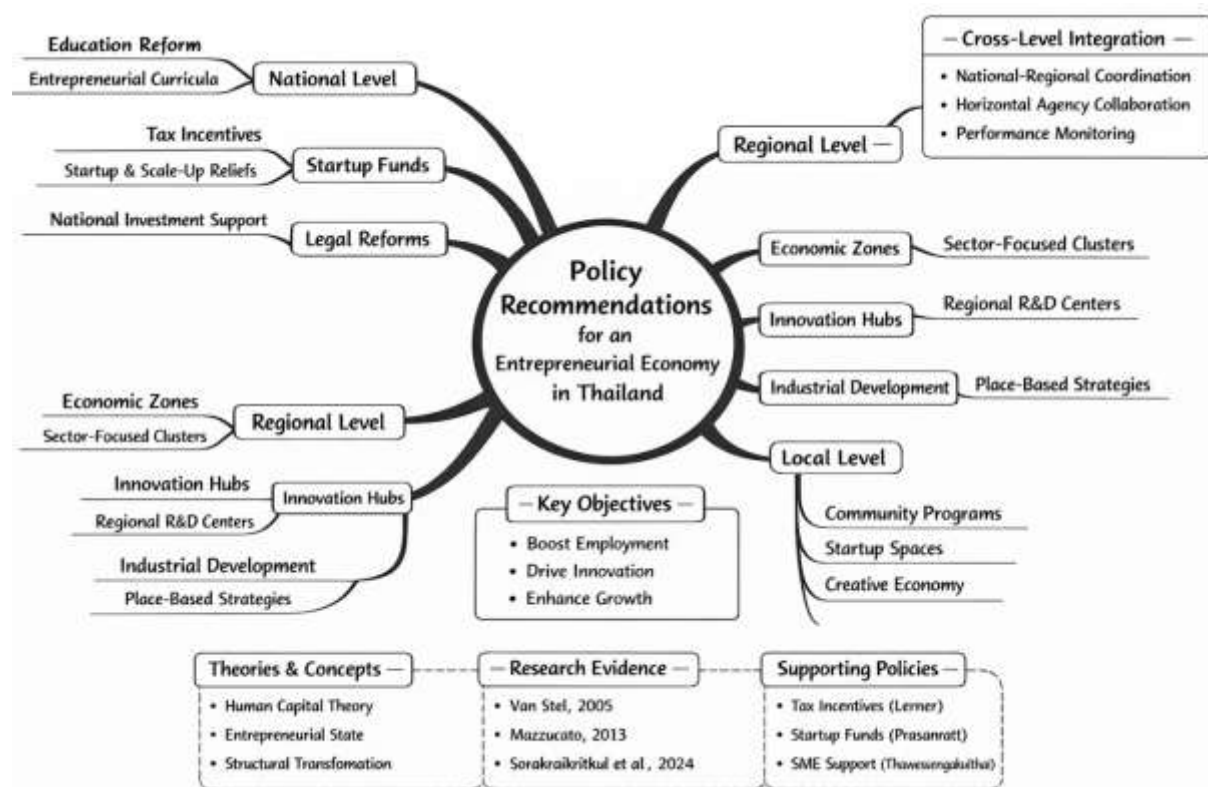
Rationale and Evidence: The creative economy is increasingly recognized as a driver of economic diversification and inclusive job creation. Research on creative sectors has found that municipal support can mobilize cultural funds for sustainable economic activities (Evans, 2009).

Table 1 Synthesis of Key Findings on Public Policy and Workforce Transformation toward an Entrepreneurial Economy

Analytical Dimension	Key Findings	Policy Gaps Identified	Implications for Workforce Transformation
Labor force structure	Thailand has high entrepreneurial participation, but a large share of workers remains in informal employment, self-employment, and micro-enterprises.	Entrepreneurship remains concentrated in low-productivity and necessity-driven activities.	Workforce transformation requires upgrading entrepreneurial quality, not merely increasing business entry.
Human capital and education	Existing education systems insufficiently develop entrepreneurial competencies such as opportunity recognition, innovation, risk management, and business scaling.	Educational outcomes are weakly aligned with entrepreneurial capability and labor market transformation.	Competency-based and experiential entrepreneurship education is needed to support opportunity-driven entrepreneurship.
Finance and scalability	Access to growth-oriented finance remains limited, especially for SMEs, startups, and regional entrepreneurs.	Financial support mechanisms are fragmented and insufficiently linked to firm life cycles and investment readiness.	Scaling-oriented finance is necessary to move firms from micro-level survival to productivity-enhancing growth.
Regulatory and institutional environment	Policies acknowledge entrepreneurship and innovation, but regulatory complexity and administrative burdens persist.	Business formalization and expansion are constrained by compliance costs and institutional inefficiencies.	Regulatory simplification can encourage formalization, investment, and business growth.
Governance coordination	National strategies are ambitious, but implementation across national, regional, and local levels remains fragmented.	Weak vertical and horizontal coordination reduces policy coherence and effectiveness.	Multi-level governance mechanisms are needed to align education, finance, innovation, and regional development policies.
Regional and local ecosystems	Entrepreneurial opportunities and support systems vary across regions.	Regional inequality limits access to finance, networks, innovation infrastructure, and institutional support.	Regionally adaptive entrepreneurial ecosystems can reduce spatial inequality and strengthen local economic transformation.
Quality of entrepreneurship	Current policies tend to emphasize increasing the number of entrepreneurs	Limited focus on high-growth and innovation-driven enterprises.	Policy should shift from quantity-based entrepreneurship

Analytical Dimension	Key Findings	Policy Gaps Identified	Implications for Workforce Transformation
	rather than improving innovation, productivity, and scalability.		promotion to quality- and productivity-based entrepreneurial development.

Figure 1 Model for the transformation from a multi-level labor force to an entrepreneurial economy (MWEET)



The model demonstrates how Thailand can transform its labour force into a high-quality entrepreneurial economy through coordinated public policies across three interrelated governance levels: national, regional, and local.

The model underscores structural policy instruments at the national level, including improvements in entrepreneurial education, support for startups and scale-ups, tax incentives, and legal reforms. These policies seek to enhance entrepreneurial human capital, diminish institutional obstacles, and facilitate innovation-driven corporate expansion.

The approach underscores the significance of sector-specific economic zones, regional innovation centers, and localized industrial development plans at the regional level. These methods aim to link regional resources, research institutions, and industries to enhance productivity, specialization, and regional competitiveness.

The model emphasizes community entrepreneurial initiatives, startup incubators, and the creative economy at the local level. These efforts enhance entrepreneurial engagement, fortify local ecosystems, and promote inclusive economic development.

The model underscores cross-level integration, encompassing national-regional coordination, horizontal collaboration across agencies, and performance evaluation. This integration is crucial for diminishing policy fragmentation and enhancing implementation efficacy across government tiers.

The framework is based on three principal theoretical perspectives: human capital theory, entrepreneurial state theory, and structural transformation theory. It additionally relies on empirical studies about entrepreneurship, innovation policy, and entrepreneurial ecosystems.

The approach posits that workforce transformation necessitates more than only augmenting the quantity of entrepreneurs. Sustainable change relies on synchronized multi-tiered policies that enhance entrepreneurial capacity, innovation potential, institutional backing, and regional inclusivity.

Discussion

This research aims to study the influence of public policy on the transformation of Thailand's labor structure towards a high-quality entrepreneurial economy. The study found that, despite Thailand's relatively high rate of entrepreneurial participation, structural obstacles remain, particularly the informal economy, limitations on scalability, fragmented management practices, and a skills shortage. These continue to hinder productivity growth and the sustainable increase of GDP per capita. The following sections will analyze these findings through the lens of relevant theories, examine the feasibility of policies, assess long-term macroeconomic impacts, and identify key factors necessary for success.

1. Comparison with Theoretical Frameworks

1.1 Human Capital Theory

Human capital theory explains that access to education and skills increases productivity and supports sustainable economic growth (Becker, 1962; Schultz, 1961). Meanwhile, internal growth models indicate that the accumulation of knowledge drives sustained GDP per capita growth (Lucas, 1988; Romer, 1990). This research partially supports this concept. Specifically, while Thailand has expanded educational opportunities, the mismatch between educational outcomes and entrepreneurial skills reflects that human capital development is still focused on salaried employment rather than opportunity-driven entrepreneurship. This also aligns with evidence that “entrepreneurial education” is most effective when it emphasizes competencies and real-world experience (Martin et al., 2013; Bae et al., 2014). Furthermore, entrepreneurial human capital, such as opportunity recognition, risk management, and innovation potential, is crucial for increasing productivity (Unger et al., 2011). Therefore, policy reforms towards experiential learning, mentoring, and entrepreneurial-focused curricula are necessary. The structural transformation of the labor force is still incomplete.

1.2 Structural Transformation Theory

Structural transformation theory proposes that the shift of labor from low-productivity sectors to high-productivity sectors accelerates development (Lewis, 1954; McMillan & Rodrik, 2011;

Herrendorf et al., 2014). In the case of Thailand, the prevalence of informal economic activity and a large number of small enterprises reflects limited structural progress. Furthermore, increasing market entry does not automatically mean increased productivity. This aligns with transnational research which found that entrepreneurship often has a significant impact on growth in innovation-driven countries (Van Stel et al., 2005). The study therefore reinforces the difference between "quantitative" and "qualitative" entrepreneurship (Wennekers & Thurik, 1999) and indicates that structural transformation depends more on policies that support innovative and scalable businesses than on subsistence employment.

1.3 Entrepreneurial Economy and Entrepreneurial State (Entrepreneurial Economy & Entrepreneurial State)

The entrepreneurial economy concept emphasizes the role of knowledge transfer and the creation of new companies in driving growth (Audretsch & Keilbach, 2004). Meanwhile, the entrepreneurial state concept suggests that the state can direct innovation through mission-based investment (Mazzucato, 2013). Thailand's policy approaches show discourse alignment with these concepts, but there are significant gaps in implementation. Empirical assessments warn that if public-private partnerships or public investment projects lack structure and management quality, they may lead to distortions and underperforming outcomes (Lerner, 2009, 2013). Therefore, this research supports a more appropriate "entrepreneurial state" model, emphasizing missions, performance indicators, and clearly defined oversight institutions.

1.4 Multi-level Management

Entrepreneurial policies are designed and implemented at multiple levels, from national and regional to local (Bache & Flinders, 2004b; Jessop, 2004). Research confirms that the fragmentation between ministries and management levels leads to inconsistency and reduced policy effectiveness. An entrepreneurial ecosystem functions best when there is coordination between education, finance, management, and regional specialization (Stam, 2015). Thailand's limitation, therefore, does not lie in "intention" but rather in "integration," both vertically (between management levels) and horizontally (between agencies). For this reason, the multi-level management concept provides a suitable framework for explaining the policy implementation problems encountered and serves as a rationale for developing clearer coordination and accountability mechanisms.

2. Policy Feasibility

The feasibility of a policy depends significantly on its institutional potential, fiscal sustainability, and political coherence. Even the most carefully designed entrepreneurship policy may fail to achieve its goals if its implementation system is inefficient or disconnected. Therefore, feasibility assessments must consider both the quality of the policy design and the capabilities of management and implementation.

Educational reform can only succeed when integrated into the national curriculum framework and supported by a systematic teacher development system. International evidence indicates that effectively scalable entrepreneurial education models are often based on competency-based and experiential learning (Martin et al., 2013). However, significant change requires indicators of success

that go beyond enrollment numbers, measuring skills, entrepreneurial outcomes, and sustained participation in entrepreneurial activities.

Tax measures and financial incentives are powerful policy tools if designed and implemented correctly. Empirical research shows that structuring tax credits for research and development (R&D) and performance-linked incentives can significantly stimulate innovation and promote private sector investment (Bloom et al., 2019). However, fiscal discipline and mechanisms to prevent misuse are essential to avoid inefficient resource allocation and ensure that such incentives generate genuine productivity increases.

Public venture capital funds are more likely to succeed when designed to attract private sector investment rather than replace market mechanisms (Lerner, 2013). Transparent management, merit-based selection processes, and clear exit mechanisms are crucial for building investor confidence and mitigating political risk.

Regulatory reforms are often quick to implement and yield short-term results. Simplicity of administrative procedures, efficient business registration systems, and integrated digital service platforms can reduce transaction costs and promote formalization (Djankov et al., 2002). Such measures are typically less expensive than financial subsidies but can quickly create a positive impact on the business environment.

In summary, the feasibility of reforms aimed at an entrepreneurial economy is moderate to high, depending on strengthening coordination mechanisms, establishing clear accountability systems, and implementing transparent and effective governance to ensure continuous and sustainable policy consistency at all administrative levels.

3. Long-Term Impacts on Per Capita GDP

Firstly, entrepreneurship impacts per capita GDP through interconnected mechanisms at both the organizational and macroeconomic levels. It plays a crucial role in the reallocation of resources based on productivity. As new businesses enter the market and highly efficient organizations expand, labor and capital are shifted from less productive to more productive businesses. This process enhances the overall efficiency of the economy, supports structural transformation, and raises the average national income (McMillan & Rodrik, 2011). In this dimension, entrepreneurship acts as a dynamic adaptive mechanism accelerating the transition to more competitive and productive economic sectors.

Secondly, entrepreneurship plays a role in stimulating innovation and knowledge transfer. Entrepreneurial businesses often adopt and commercialize new ideas, technologies, and business models from universities, research institutions, or large corporations. This process of transforming knowledge into economic value strengthens regional development and increases the overall productivity of factors of production through “entrepreneurial capital” (Audretsch & Keilbach, 2004). The diffusion of innovation from one business to another has ripple effects at the industrial and macroeconomic levels.

Thirdly, although most businesses are small-scale, a group of rapidly growing businesses, known as... “High-growth businesses” plays a crucial role in job creation and productivity growth

(Henrekson & Johansson, 2010). The expansion of these businesses increases the average size of businesses, enhances export potential, and improves overall economic efficiency.

However, the impact of entrepreneurship on per capita GDP significantly depends on the “quality” and “motivation” of the entrepreneurs. Comparative international research has found that opportunity-driven entrepreneurship, especially that focused on innovation, tends to have a positive impact on income levels in innovation-driven countries. Conversely, entrepreneurship driven by necessity or subsistence may have a neutral or even negative impact on per capita GDP (Van Stel et al., 2005; Acs et al., 2018). Therefore, the role of entrepreneurs in sustainable economic development depends not only on their numbers, but also on their productivity levels, scalability, and focus on innovation.

For Thailand, if a transition from necessity-driven informal sector businesses to businesses with high scalability and driven by innovation is possible, long-term per capita GDP growth will be supported through the dynamics of domestic productivity (Romer, 1990). Conversely, if policies focus only on increasing market entry rates without improving quality, the impact on per capita GDP will be less significant. The resulting macroeconomic benefits are limited and unsustainable.

4. Conditions for Success

The transition to an entrepreneurial economy does not automatically occur through an increase in business registrations or new startups alone. Rather, it requires deeply interconnected and mutually supportive structural factors comprising four key components: (1) competency-based education reform, (2) inter-institutional collaboration, (3) access to risk-tolerant funding sources, and (4) a culture of social risk tolerance. Without integrated strengthening of these components, policy measures may yield inconsistent results and fail to bring about sustainable structural change.

Firstly, competency-based education reform is crucial. Traditional education systems in many countries, particularly those with primarily employment-oriented labor, often focus on the transmission of theoretical knowledge and preparation for the labor market. However, an entrepreneurial economy requires different skills, such as the ability to identify opportunities, solve problems in uncertain situations, mobilize resources, work in teams, and continuously experiment and improve. Empirical research shows that entrepreneurial education yields significant results when focusing on experiential learning and competency development rather than theoretical instruction alone (Martin et al., 2013). Therefore, reform should encompass curriculum restructuring, teaching methods, faculty capacity building, industry linkages, and assessments that measure actual competencies. Beyond measuring participation rates, evaluation should focus on entrepreneurial competencies, venture creation, and long-term entrepreneurial outcomes.

Secondly, inter-institutional coordination is a crucial mechanism for ensuring system consistency. Entrepreneurial policies often involve multiple sectors, such as education, finance, innovation, labor law, regional development, and industrial strategy. Lack of coordination—both vertically at the national, regional, and local levels, and horizontally between ministries and agencies—leads to duplication and fragmentation of projects, reducing policy effectiveness (Bache & Flinders, 2004b). An entrepreneurial economy requires a continuous development pathway, from education and incubation to access to capital and market expansion. If institutions operate in isolation,

promising projects may falter during crucial growth phases. Therefore, an integrated management mechanism is needed to combine policy tools across levels and sectors, within a clear framework of roles, responsibilities, and information systems.

Thirdly, access to risk-adjusted funding dictates the entrepreneurial potential for growth beyond subsistence levels. While many countries have high proportions of self-employed individuals or small businesses, the expansion of innovative businesses requires a financial system aligned with risk tolerance and growth potential. Research shows that entrepreneurial performance is significantly influenced by access to financial resources and the ability to manage those resources (Unger et al., 2011). A comprehensive financial system should encompass small investors. Venture capital, growth funding, credit guarantee mechanisms, and public venture capital funds, coupled with investment readiness programs and transparent allocation criteria, are crucial to preventing inefficient resource utilization. Without a deep and diversified financial structure, the entrepreneurial economy could be dominated by businesses driven by necessity and with low productivity.

Finally, social risk culture and acceptance influence the psychological and institutional environment of entrepreneurship. Fear of failure can stifle opportunity-driven business initiatives, especially in contexts where failure severely impacts social status and financial burdens (Cacciotti et al., 2016). If business failure leads to long-term debt, reputational damage, or limitations on re-entry into the market, opportunities for innovation are reduced. Therefore, cultural shifts must be coupled with institutional reforms, such as fair bankruptcy laws, second-chance policies, and social security systems that mitigate severe risks, to create space for rational risk-taking, which is fundamental to innovation.

The four components—competency-based education reform, institutional collaboration, access to risk capital, and a risk-acceptance culture—reinforce each other. Education builds skills for innovation; coordinated institutions create infrastructure for new business growth; financial systems drive expansion; and a risk-acceptance culture reduces psychological and economic barriers. If any one component is missing, the entire systemic transition process may falter.

Therefore, the transition to an entrepreneurial economy should not be viewed as merely a reform of a single policy area, but rather as a comprehensive restructuring of human capital development, management mechanisms, financial systems, and social attitudes. Under such an integrated environment, entrepreneurship can move from broad participation to qualitative growth, high productivity, and the development of a sustainable and dynamic economy in the long term.

Conclusion

This study analyzed the influence of public policy on the transformation of Thailand's labor force structure towards an entrepreneurial economy from a multi-level policy viewpoint. The results reveal that while Thailand exhibits considerable entrepreneurial engagement, a significant portion of this activity is confined to informal, low-productivity, and small-scale companies with restricted scalability. Consequently, entrepreneurship has not yet significantly contributed to sustainable productivity enhancement or enduring structural transformation.

The research additionally revealed that Thailand's entrepreneurial shift is hindered by interrelated structural and institutional obstacles. This encompasses discrepancies between educational

results and entrepreneurial skills, restricted access to growth-focused financing, regulatory and administrative obstacles, fragmented governance frameworks, and inconsistent regional development. The findings indicate that entrepreneurial transformation is not merely an economic concern, but also a social policy matter intricately connected to informality, inequality, social protection, and disparate access to opportunities among various areas and socioeconomic groups.

This study theoretically enhances the literature by amalgamating human capital theory, structural transformation theory, entrepreneurial economy/state views, and multi-level governance into a cohesive analytical framework for comprehending entrepreneurial transformation. The study reframes entrepreneurship policy from a limited economic intervention to a comprehensive process involving institutional coordination, workforce reorganization, and inclusive development. The suggested MWEET framework additionally demonstrates that entrepreneurial transformation relies on the coordinated interaction of national, regional, and local policy frameworks.

The study underscores that effective entrepreneurial transformation requires more than simply increasing the number of startups or self-employed individuals. Public policy should prioritize enhancing the quality, innovative potential, productivity, and scalability of entrepreneurial endeavors. This necessitates comprehensive reforms in education, finance, regulation, regional development, and government coordination. The report emphasizes the significance of competency-based entrepreneurial education, scalable funding mechanisms, regionally tailored entrepreneurial ecosystems, and enhanced cooperation across governance levels.

This article enhances the field of social policy and development by illustrating that workforce transformation towards an entrepreneurial economy relies not only on market dynamics but also on the state's ability to mitigate structural inequality, bolster institutional integration, and foster inclusive opportunities for sustainable economic engagement.

Recommendations

1. Policy Recommendations

The government should adopt an integrated, multi-level strategy, shifting the focus from increasing the number of entrepreneurs to improving the quality and scalability of entrepreneurial activity. Key actions include integrating competency-based entrepreneurship education into national curricula, strengthening inter-ministerial and administrative cooperation, expanding access to risk-weighted capital through transparent venture capital mechanisms, and simplifying administrative processes to reduce market entry costs and regulatory compliance expenses. Policies should be results-driven, fiscally accountable, and aligned with long-term productivity enhancement rather than short-term numerical targets.

2. Operational Recommendations

Educational institutions should adopt experiential learning models such as investment-based projects, industry mentoring, and incubation partnerships. Government agencies and financial institutions should strengthen investment readiness programs and provide appropriate support throughout the company lifecycle. Regional and local authorities should develop sector-specific clusters and innovation centers that leverage local comparative advantages. Practitioners should focus

on measurable outcomes such as company survival, scalability, innovation intensity, and productivity growth, rather than just participation rates.

3. Recommendations for Future Research

Future research should include empirical field studies to examine the impact of policies at national and regional levels. Quantitative analysis using panel data is needed to assess the long-term relationship between entrepreneurial quality and GDP per capita. Comparative studies between countries would also be valuable in identifying institutional factors that differentiate successful entrepreneurial ecosystems from less efficient ones. Such research would strengthen evidence-based policymaking and improve the design of multi-level entrepreneurial strategies.

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