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Research Article

THAILAND'S AI AND DATA GOVERNANCE: A CRITICAL POLICY ANALYSIS OF NATIONAL STRATEGY, ETHICAL FRAMEWORKS, AND BUSINESS SUSTAINABILITY IMPLICATIONS

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Abstract

This article provides a critical policy analysis of Thailand's artificial intelligence (AI) and data governance architecture, examining the National AI Strategy (2022–2027), the Personal Data Protection Act (PDPA), the Draft AI Bill, and the expanding ecosystem of soft-law governance instruments. Applying four complementary theoretical frameworks (Easton's (1965) authoritative allocation of values, Ansell and Gash's (2008) collaborative governance, consequentialist versus deontological ethics, and Bradford's (2020) Brussels Effect theory), the analysis evaluates the effectiveness of Thailand's multi-layered governance approach across ethical, institutional, and strategic dimensions. Drawing on government publications, international reports, and legal analyses, the article identifies four critical structural gaps: a legislative vacuum in which AI adoption far outpaces enforceable regulation; a surveillance accountability deficit exposed by the 2022 Pegasus spyware revelations; multi-agency fragmentation with no single authority holding binding governance power; and a severe research capacity deficit in AI ethics. A comparative analysis with the European Union reveals what the article terms the governance paradox: the country with one of the world's highest AI adoption rates has among the slowest trajectories of governance maturation, a structural challenge with implications for developing economies more broadly. The article further introduces the concept of trust capital to reframe AI governance from a compliance cost to a business sustainability strategy, arguing that organisations investing voluntarily in governance frameworks build compound advantages across transition readiness, ESG credentials, market access, and investor confidence. The article concludes with evidence-based recommendations for policymakers and businesses operating within Thailand's evolving AI ecosystem and the broader ASEAN regulatory environment.

Keywords: AI governance, Thailand, ethical frameworks, Brussels Effect, Business sustainability, Governance paradox, Trust capital.

INTRODUCTION

Artificial intelligence (AI) is transforming economies at an unprecedented pace, and few countries illustrate the urgency of effective governance more vividly than Thailand. The country occupies a unique position in the global AI landscape: it is simultaneously one of the world's most enthusiastic adopters of AI technology and one of the least mature in terms of governance infrastructure. This paradox (high adoption, low regulation) makes Thailand a compelling and instructive case study for understanding the challenges facing emerging AI economies. According to Nation (2024), 62% of Thai workers already use generative AI daily, placing Thailand among the highest adoption rates globally. The Thailand 4.0 national agenda explicitly positions AI as the engine of economic transformation, moving the country from a manufacturing-dependent economy towards an innovation-driven value-creation model. The Eastern Economic Corridor (EEC) (spanning the provinces of Chachoengsao, Chonburi, and Rayong) serves as the flagship testbed for AI-driven manufacturing and smart city initiatives, attracting significant international investment. The scale of investment underscores the urgency. UNESCO (2024) reports that over US$30 billion flowed into Southeast Asian AI infrastructure in the first half of 2024 alone. ASEAN projections suggest AI could add US$1 trillion to regional GDP by 2030, with Thailand poised to be a primary beneficiary. Nevertheless, this economic promise is accompanied by profound governance challenges. Without effective regulation, the risks of algorithmic bias, privacy violations, accountability failures, and digital rights erosion grow in direct proportion to adoption velocity.

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The gap between adoption velocity and governance maturity constitutes the central tension examined throughout this article. This article contributes to the emerging literature on AI governance in developing economies by providing a systematic critical evaluation of Thailand's governance architecture through four complementary theoretical lenses, introducing two transferable analytical concepts (the 'governance paradox' and 'trust capital'), and providing evidence-based recommendations grounded in both theory and the practical realities of Thailand's regulatory environment.

Theoretical Framework

This article applies four complementary theoretical frameworks drawn from public policy, political science, ethics, and international regulatory theory. Each framework illuminates a different dimension of Thailand's governance challenge, and their combined application provides a multi-perspectival evaluation that no single framework could achieve.

Authoritative Allocation of Values: David Easton's systems theory defines governance as the 'authoritative allocation of values for a society' (Easton, 1965). This framework is applied to assess whether Thailand's multi-agency governance structure provides clear, binding authority over AI governance decisions. The concept is particularly relevant to analysing the fragmentation problem: when multiple agencies share responsibility without clear jurisdictional boundaries, the authoritative allocation of values becomes diffuse, undermining governance effectiveness. Easton's framework provides the analytical vocabulary to diagnose this structural weakness with precision.

Collaborative Governance: This framework emphasises face-to-face dialogue, trust-building, and shared ownership of outcomes among government, industry, civil society, and academia (Ansell & Gash, 2008). It is applied to evaluate Thailand's multi-stakeholder engagement processes, particularly ETDA's public consultation mechanisms and the potential for collaborative governance to compensate for legislative gaps. In contexts where hard law is absent or developing, collaborative governance can provide alternative accountability mechanisms, but only if structured effectively.

Consequentialist versus Deontological Ethics: These competing ethical traditions are applied to the tension between innovation and regulation. A consequentialist perspective evaluates governance by its outcomes, maximising aggregate welfare through innovation and economic growth. A deontological perspective evaluates governance by its adherence to principles, protecting fundamental rights regardless of economic consequences. Thailand's governance architecture must navigate between these philosophical positions, and the tension between them is not merely academic but has direct implications for policy design and business strategy.

Brussels Effect Theory: Anu Bradford's theory describes how the EU's regulatory standards become de facto global requirements through market mechanisms, even without formal adoption by other jurisdictions (Bradford, 2020). This framework is applied to assess the regulatory convergence pressures Thailand faces and their implications for Thai businesses competing in global supply chains. The Brussels Effect is particularly relevant for understanding why Thailand's governance choices have consequences beyond its borders.

The National Policy Landscape

Thailand's AI governance architecture operates across four distinct layers: a national AI strategy providing strategic vision; data protection legislation providing the legal foundation; emerging AI-specific legislation providing the regulatory frontier; and soft-law guidelines providing operational tools. What is immediately notable is the layered, incremental approach, relying heavily on soft law while hard legislation remains in development.

National AI Strategy (2022–2027)

Approved by the Prime Minister's Cabinet in July 2022, the National AI Strategy establishes the overarching strategic vision for Thailand's AI development across five pillars. Pillar 1 prioritises ethical, legal, and social readiness, which the strategy terms ELSI (Ethical, Legal, and Social Issues). Pillar 2 focuses on infrastructure development, most notably LANTA (ASEAN's most powerful supercomputer, ranked among the world's top 100) and the Government Data Cloud Centre. Pillar 3 targets the development of over 30,000 AI talents within six years through university programmes, industry partnerships, and upskilling initiatives. Pillar 4 aims to generate at least 100 R&D prototypes, valued at THB48 billion in combined business and social impact. And Pillar 5 drives adoption across at least 600 government agencies and businesses (NECTEC, 2023). The complexity of its governance architecture matches the strategy's ambition. The Ministry of Digital Economy and Society (MDES) is responsible for overall policy. ETDA's AI Governance Centre has emerged as the de facto coordinator for governance guidelines, despite lacking formal regulatory enforcement authority. NECTEC provides the technical secretariat and research infrastructure. The PDPC enforces data protection. Furthermore, ONDE developed the original Draft Royal Decree on AI. This multi-agency structure, while reflecting Thailand's intention to comprehensively address AI governance, creates significant coordination challenges.

Personal Data Protection Act (PDPA)

The PDPA is Thailand's cornerstone data protection legislation, closely modelled on the EU's General Data Protection Regulation (GDPR) but with important local adaptations (PDPA Thailand, 2026). Enacted in 2019 and fully enforced since June 2022, the PDPA establishes comprehensive data protection rights for Thai citizens, including the right to access, correct, and delete personal data, the right to data portability, and the right to object to profiling and automated decision-making. Its extraterritorial scope means that any organisation processing Thai personal data must comply, regardless of where it is based, a provision that has significant implications for multinational companies operating in or serving the Thai market. What is critically significant for AI governance is the PDPA's enforcement trajectory. For approximately two years after full enforcement, the PDPC adopted a deliberate education-first approach (building awareness, issuing guidance documents, and conducting outreach rather than imposing penalties). This grace period reflected the regulator's recognition that Thai businesses, particularly small and medium enterprises (SMEs), needed time to build compliance infrastructure. Then, in August 2024, the landscape shifted dramatically when the PDPC issued its first major administrative fine: THB7 million against a major online retail company that had failed to appoint a Data Protection Officer and suffered data leaks that led to call centre scams affecting consumers. By 2025, enforcement had intensified further. Five additional enforcement cases resulted in total fines exceeding THB21.5 million across both the public and private sector organisations. The PDPC established the 'Eagle Eye' monitoring centre specifically to proactively identify and investigate data breach incidents, signalling a decisive shift from reactive to proactive enforcement (PDPC, 2019). Cross-border data transfer rules, effective since March 2024, now align with both ASEAN Model Contractual Clauses and EU Standard Contractual Clauses, creating a dual compliance pathway for international data flows. The shift from guidance to enforcement is a defining feature of Thailand's governance maturation, and a clear signal to businesses that the grace period is definitively over.

The Draft AI Bill: Thailand's Legislative Frontier

The Draft AI Bill represents Thailand's most ambitious and significant legislative development in AI governance. Its origins lie in two separate legislative initiatives: the 2022 Draft Royal Decree on AI Business Services, developed by ONDE, and the 2023 Draft Act on AI Innovation Promotion, developed by ETDA. Recognising the inefficiency and potential confusion of pursuing two parallel instruments, regulators convened a public hearing in June 2025 to consolidate these into a single, comprehensive piece of legislation (Chitranukroh *et al.,* 2025; Vanikieti *et al.,* 2025). The consolidated Draft AI Bill adopts a risk-based approach clearly inspired by the EU AI Act, categorising AI applications

into three tiers of regulatory intensity. At the top tier, prohibited uses (directly mirroring the EU framework) include subliminal manipulation techniques, social scoring by public authorities, and real-time biometric surveillance in public spaces. The high-risk category encompasses AI systems used in critical infrastructure, educational assessment, employment decisions, law enforcement, and criminal justice sectors where algorithmic errors or biases could have severe consequences for individuals and communities. Limited and low-risk applications face primarily transparency obligations, including the requirement to inform users when they are interacting with an AI system. Five foundational pillars underpin the bill's regulatory architecture. First, risk-based regulation empowers sectoral regulators to classify AI applications and enforce compliance within their domains. Second, the bill provides legal recognition for AI-generated actions and decisions, creating a framework for algorithmic accountability. Third, the bill enshrines the principle that AI is always a human tool (responsibility for AI outputs remains with the human operators and deployers, not the technology itself). Fourth, mandatory registration is required for high-risk AI providers, creating a formal registry and oversight mechanism. Fifth, regulatory sandboxes are established to enable safe experimentation with innovative AI applications under supervised conditions. Public consultation on the consolidated draft closed in June 2025, and ETDA is currently revising the text based on stakeholder feedback, with a further public hearing expected before submission for Cabinet consideration. The timeline for enactment remains uncertain, which is itself a significant governance challenge (businesses must plan for a regulatory environment that is known to be changing but whose precise form is not yet determined).

Soft Law: Guidelines and Governance Tools

In the absence of hard AI legislation, Thailand's governance architecture has leaned heavily on soft law (guidelines, frameworks, and voluntary standards without legal enforcement power). ETDA's AI Governance Centre has been the primary vehicle for developing and disseminating these instruments. Three key instruments merit detailed attention. The 2023 AI Governance Guidelines for Executives provided the first operational governance toolkit for Thai organisations, designed to help senior leaders understand and manage AI risks. Notably, these guidelines were tested through the AI Executive Program with healthcare administrators, a sector-specific approach that demonstrated Thailand's recognition that governance must be contextualised to specific industry realities. The October 2024 Generative AI Governance Guideline extended this approach to address the particular challenges of large language models and generative AI systems, introducing the adopter-customiser-maker framework that distinguishes between organisations that merely use existing AI tools, those that fine-tune or customise them, and those that build them from scratch, recognising that governance requirements should scale with the level of AI capability and risk (ETDA, 2024). The October 2025 AI Securities Guideline from the National Cyber Security Commission extended governance considerations to cybersecurity dimensions (UIH, 2025). ETDA has announced plans to develop up to 50 governance tools by 2027, including AI procurement guidelines, job redesign frameworks, organisational readiness assessments, and sector-specific governance templates. While this ambition demonstrates a genuine commitment to building governance capacity, it raises a fundamental question: can voluntary guidelines, however comprehensive, substitute for enforceable legislation when AI adoption is accelerating at the pace observed in Thailand?

Regulatory Bodies and Overlapping Mandates

Understanding Thailand's AI governance requires mapping the complex network of regulatory bodies involved. MDES serves as the overarching policy ministry, but operational responsibility is distributed across multiple agencies. ETDA functions as the de facto governance coordinator, developing guidelines and leading public consultations, but lacks formal regulatory enforcement power. NECTEC provides the technical and scientific secretariat and operates research facilities, including LANTA. The PDPC has enforcement authority specifically for data protection, but not for broader AI governance. ONDE contributed the initial legislative drafting but is not positioned as the primary enforcement body. Beyond these central agencies, sector-specific regulators have begun to develop their own AI guidance. The Bank of Thailand has issued guidelines for the use of AI in financial services. The Securities and Exchange Commission has addressed AI in capital markets. Furthermore, the Office of Insurance Commission has developed AI guidance for the insurance sector. However, the vast majority of sectors (including manufacturing, healthcare, education, and agriculture) lack even basic sector-specific AI governance guidance. This uneven coverage creates regulatory uncertainty for businesses operating across sectors and raises questions about the coherence of Thailand's overall governance approach.

Critical Evaluation

The critical evaluation applies the four theoretical frameworks introduced in Section 1.1 to critically evaluate Thailand's governance architecture across three dimensions: how effectively it addresses core ethical concerns; the tension between supporting innovation and imposing regulatory constraints; and the structural gaps and contradictions that undermine governance effectiveness.

Ethical Concerns: Bias, Transparency, and Accountability

Bias and Fairness: Thailand's governance framework articulates the right principles on algorithmic bias. The NECTEC Ethics Guidelines require fairness in the design and deployment of AI. The Draft AI Bill mandates measures to prevent bias and ensure transparency for high-risk applications. However, principle and practice diverge significantly. There are currently no mandatory algorithmic auditing requirements in Thai law or regulation. Without compulsory audits, compliance depends entirely on voluntary adoption of best practices, a weak foundation given the commercial pressures facing organisations deploying AI at scale. From a consequentialist perspective, unchecked algorithmic bias risks systemic harm to vulnerable populations. This risk is especially pronounced in Thailand, where significant economic inequality means that AI-driven decisions in areas such as credit scoring, employment, and social services could disproportionately disadvantage marginalised communities. The UNESCO Readiness Assessment revealed a sobering reality: only one to two published Thai research papers on AI ethics exist in the academic literature (UNESCO, 2025). This scarcity means the technical capacity for bias detection,

algorithmic auditing, and fairness assessment remains critically limited, a constraint that no amount of policy aspiration can overcome without substantial investment in research infrastructure and human capital.

Transparency: The Draft AI Bill will require AI content labelling and user notification when individuals interact with AI systems or when AI-generated content is presented to them. The Generative AI Governance Guideline emphasises explainability as a core governance principle. The AI Governance Clinic, a practical initiative that works directly with organisations to implement governance frameworks, is actively bridging the gap between principles and practice.

However, these guidelines remain voluntary under the current soft-law regime, with no legal enforcement mechanism for non-compliance. From a deontological standpoint, the duty to inform data subjects about how AI processes affect their decisions is a fundamental right, not a discretionary courtesy. Under the current architecture, this duty remains unenforceable. Crucially, explainability standards have not been defined for Thai-language large language models such as ThaiLLM, a significant gap given national investment in this technology. If users cannot understand how a nationally developed AI system reaches its conclusions, the transparency principle is hollow, regardless of the policy language surrounding it.

Accountability: The principle that AI is always a human tool and that responsibility for AI outputs remains with the humans who deploy and operate AI systems is conceptually sound and aligns with international best practice. The PDPA provides enforceable accountability for data breaches, with the PDPC's Eagle Eye monitoring centre demonstrating active surveillance capacity.

However, the multi-agency governance structure creates what Bovens (2007) describes as 'accountability diffusion': a phenomenon where multiple overlapping mandates mean that everyone is nominally responsible but no one is effectively accountable. Applying Easton's (1965) framework of authoritative allocation of values, the critical question becomes: who, in this fragmented architecture, holds the authority to make binding decisions about AI governance? Currently, ETDA coordinates but cannot compel. The PDPC enforces, but only within data protection boundaries. MDES sets policy but delegates implementation. No single body holds comprehensive, binding authority over AI governance decisions, and this structural weakness is the most fundamental challenge Thailand faces.

Innovation versus Regulation: The Core Tension

At the heart of Thailand's governance challenge lies a tension that is simultaneously economic, philosophical, and political. The Thailand Development Research Institute (TDRI), the country's most influential policy think tank, articulated this tension directly: strict EU-style regulation might hurt local AI development and increase Thailand's reliance on foreign AI technologies (Trisadikoon & Umponkitviwat, 2025). This concern is not abstract; it reflects genuine risks for an economy still building its domestic AI capacity. Viewed through a consequentialist lens, evaluating governance by its outcomes and the maximisation of aggregate welfare, Thailand's innovation-supporting measures are significant and well-targeted. The regulatory sandbox mechanism enables organisations to experiment with innovative AI applications under supervised conditions, reducing the risk of premature regulatory constraint on beneficial innovation. Board of Investment (BOI) incentives provide tax benefits and investment support to attract AI startups and international companies. The government has invested THB12.9 billion in AI research and development infrastructure (NECTEC, 2023). Furthermore, the ThaiLLM project represents a strategically important initiative to develop a national generative AI model for Thai, reducing dependence on foreign-language models that may not adequately serve Thai users or reflect Thai cultural contexts. Viewed through a deontological lens, evaluating governance by its adherence to principles of rights and duties, the regulatory constraints serve legitimate and important purposes. The Draft AI Bill's registration requirements for high-risk AI systems protect citizens from potentially harmful applications in critical domains such as healthcare, criminal justice, and employment. The prohibition on social scoring and subliminal manipulation reflects a commitment to human dignity and autonomy that transcends economic calculation. Overlapping digital regulations, while creating complexity, represent multiple layers of rights protection.

Bradford's (2020) Brussels Effect theory adds a critical international dimension to this analysis. As EU AI Act compliance requirements take effect, they are likely to become de facto global standards through supply chain mechanisms; companies wishing to export to EU markets must comply regardless of their home jurisdiction's requirements. For Thai businesses, particularly SMEs and startups, this creates a dual burden: they must navigate their own emerging domestic regulations while simultaneously meeting EU standards to access European markets. The Brussels Effect could disproportionately disadvantage smaller Thai firms that lack the compliance infrastructure of multinational competitors. This tension is not merely technical but fundamentally philosophical and political. It reflects competing visions of Thailand's role in the global AI economy: as a compliant adopter of international governance standards, or as an autonomous innovation economy charting its own developmental path. This tension directly demonstrates the interdependency between governance decisions and business sustainability outcomes.

Structural Gaps and Contradictions

Four critical gaps in Thailand's governance architecture merit detailed examination, each revealing structural weaknesses that undermine the framework's overall effectiveness.

Gap 1: The Legislative Vacuum. Despite AI adoption rates reaching 73% among surveyed organisations (UNESCO, 2025), Thailand still operates without enforceable AI-specific legislation. The Draft AI Bill has been in various stages of development since 2022 and remains under public consultation as of early 2026. During this extended development period, governance relies entirely on voluntary guidelines with no sanctions for non-compliance. For businesses, this creates a paradoxical situation: they are encouraged to adopt governance best practices but face no consequences for ignoring them. For citizens, it means that fundamental protections against algorithmic harm exist only on paper. This legislative vacuum is the most fundamental gap in Thailand's governance architecture and the one most urgently requiring resolution.

Gap 2: The Surveillance Accountability Deficit. The 2022 Pegasus spyware investigation revealed that Thai government agencies had deployed sophisticated surveillance software against civil society actors, journalists, and political activists (Scott-Railton *et al.,* 2022). This disclosure directly and profoundly contradicts the transparency, human rights, and ethical AI principles articulated in Thailand's own governance guidelines and international commitments. The disconnect between stated policy, which emphasises human rights, transparency, and ethical conduct, and state practice, which includes covert surveillance of citizens, is arguably the most significant credibility challenge Thailand faces in its ambition to be a regional leader in AI governance. Legal safeguards under the Cybersecurity Act remain limited, and the Pegasus revelations triggered no accountability mechanism. For international observers and investors, this gap between rhetoric and reality raises fundamental questions about the reliability of Thailand's governance commitments.

Gap 3: Multi-Agency Fragmentation. Five or more government agencies share AI governance responsibilities with unclear jurisdictional boundaries and no formal coordination mechanism. No single authority holds binding decision-making power over AI governance as a whole. The consequences are practical and immediate: when a business deploys an AI system that spans multiple regulatory domains (for example, an AI-driven healthcare platform that processes personal data, makes medical recommendations, and operates in a regulatory sandbox), it must navigate multiple overlapping regulatory relationships with no clear hierarchy of authority. Only the Bank of Thailand, the Securities and Exchange Commission, and the Office of Insurance Commission have issued sector-specific AI guidance; the vast majority of sectors lack even this basic coverage. The absence of a unified regulatory authority, a 'single front door' for AI governance, creates compliance uncertainty, increases costs, and discourages proactive governance investment.

Gap 4: The Research Capacity Deficit. The UNESCO Readiness Assessment found only one to two published academic papers on AI ethics from Thai institutions. The most recent Thai AI patent application was filed in 2017, and none have been granted. This research deficit has cascading consequences. Without a robust academic evidence base, governance decisions cannot be informed by locally-relevant research on Thai-specific AI challenges. Without domestic expertise in algorithmic auditing, Thailand cannot build the technical enforcement capacity needed to implement its own governance principles. Without a pipeline of AI ethics researchers, the next generation of governance frameworks will continue to depend on imported knowledge that may not reflect Thailand's unique cultural, economic, and social context. This gap undermines the evidence base for governance decisions and limits Thailand's homegrown capacity for the very technical expertise needed to enforce the ethical principles it has articulated.

Comparative Analysis: Thailand and the European Union

A comparative analysis with the European Union provides a valuable perspective on Thailand's governance trajectory. The EU represents the most advanced and comprehensive AI governance regime globally, making it the natural benchmark against which emerging frameworks are assessed. Thailand has explicitly studied the EU AI Act and adopted its risk-based classification system as the organising framework for its own Draft AI Bill. However, the two jurisdictions diverge significantly not merely in regulatory maturity but also in enforcement capacity, institutional design, and the balance between rights protection and innovation support.

Comparative Framework and the Governance Paradox

A systematic comparison across eight governance dimensions reveals both the inspiration Thailand has drawn from the EU model and the critical gaps that remain. Table 1 summarises these differences. The most striking finding from this comparison is what this article terms the governance paradox: Thailand has faster AI adoption velocity than the EU but significantly slower governance maturation. The country most in need of comprehensive regulation, because its citizens face the greatest exposure to AI-driven decisions, is the least ready to implement it. The GDPR has generated cumulative fines of over EUR 4.4 billion since 2018, creating a powerful deterrent effect. The PDPA issued its first fine only in August 2024. The EU AI Act has been enacted and is entering phased enforcement. Thailand's AI Bill remains under consultation with no confirmed enactment date. On innovation support, however, the comparison is more nuanced. Thailand's BOI investment incentives, regulatory sandboxes, ThaiLLM national model investment, and THB 12.9 billion R&D spending (NECTEC, 2023) are proportionally robust for a middle-income economy. The EU itself faces criticism that the AI Act's compliance burden disproportionately affects SMEs and could drive AI development to less-regulated jurisdictions. Thailand's lighter regulatory touch may offer short-term innovation advantages, but at the long-term cost of inadequate citizen protection and potential exclusion from EU-aligned global supply chains. The governance paradox has implications beyond Thailand. It suggests a structural challenge facing developing economies more broadly: the countries with the most dynamic AI adoption and therefore the greatest need for governance may be precisely those with the least institutional capacity to implement it. This paradox warrants further empirical investigation across ASEAN and other emerging AI economies.

Thailand's Global Positioning

Thailand has strategically positioned itself as a regional governance leader through diplomatic engagement and institutional hosting. Hosting the 3rd UNESCO Global Forum on the Ethics of AI in Bangkok in June 2025, the first time this landmark event was held in Asia, was a significant diplomatic achievement, drawing over 2,700 participants from 90 countries. Thailand launched the UNESCO Readiness Assessment Methodology in parallel, and the Deputy Prime Minister described Thailand as 'a learning hub in AI governance' (UNESCO, 2025). At the ASEAN level, Thailand has actively contributed to both the ASEAN Guide on AI Governance and Ethics and its Expanded Guide on Generative AI (ASEAN, 2024; ASEAN, 2025). ThaiLLM was cited as a regional exemplar of national AI capability development. Thailand's cross-border data transfer rules now align with ASEAN Model Contractual Clauses, facilitating regional data flows. However, this global positioning creates a credibility imperative. Thailand's governance framework must match its diplomatic ambition.

Table 1. Comparative Framework: Thailand versus EU AI Governance

Dimension	Thailand	European Union
AI Legislation	Draft Bill under consultation; no binding AI law	EU AI Act enacted August 2024; phased enforcement
Penalties	None for AI violations; PDPA fines up to THB 5M	Up to EUR 35M or 7% of global annual turnover
Data Protection	PDPA enforced 2022; THB 21.5M total fines by 2025	GDPR since 2018; EUR 4.4B+ cumulative fines
Innovation Support	BOI incentives, sandbox, ThaiLLM, THB 12.9B R&D	Horizon Europe; SME compliance burden criticised
AI Adoption	62% daily GenAI use (NATION, 2024)	Lower and more uneven adoption velocity
Governance Model	Incremental, soft law dominant, multi-agency	Comprehensive; hard law; centralised oversight
Global Influence	ASEAN leader; UNESCO Forum host (2025)	Brussels Effect: de facto global standard-setter
Research & Ethics Capacity	1–2 published AI ethics papers; no AI patents granted since 2017	Extensive AI ethics research ecosystem; robust academic infrastructure

Source: Author's compilation and analysis from government publications, international reports, and legal analyses.

The gap between hosting a global ethics forum and the lack of enforceable AI legislation is a tension that academic, commercial, and diplomatic observers will increasingly scrutinise. International investors conducting due diligence on Thai AI ventures will note the disconnect between Thailand's governance rhetoric and its regulatory reality.

Implications for Business Strategy, Compliance, and Sustainability

The business implications of Thailand's evolving AI governance framework are concrete, urgent, and directly relevant to the interdependencies between governance, compliance, and business sustainability outcomes. This section examines strategic imperatives, the sustainability dimension, and pathways for business engagement in governance processes.

Strategic and Compliance Imperatives

PDPA compliance is non-negotiable. The grace period is definitely over. With fines escalating, the PDPC Eagle Eye actively monitoring, and cross-border transfer rules now in effect, every organisation processing Thai personal data must appoint a Data Protection Officer, implement robust technical and organisational security measures, and document cross-border transfer safeguards under PDPA Sections 28 and 29. The August 2024 enforcement action, THB 7 million for failing to appoint a DPO, established that regulators will pursue significant penalties for basic compliance failures. Preparation for the AI Bill should begin immediately. Vanikieti et al. (2025) analysis explicitly recommends that businesses begin mapping AI systems against the Draft Bill's risk-based framework, classifying use cases by risk tier, and preparing governance documentation before enactment. Companies that prepare proactively face lower transition costs and demonstrate regulatory readiness to investors.

The Eastern Economic Corridor offers a strategic testbed. The EEC's combination of AI-driven manufacturing zones, regulatory sandboxes, and BOI investment incentives creates a uniquely advantageous environment for companies seeking to develop and deploy compliant AI solutions. Early movers can test governance approaches while building institutional knowledge for broader deployment.

Governance as Sustainability Strategy: The Trust Capital Concept

The fourth and most strategically significant implication is that governance is reframed from a cost centre to a sustainability capability.

Organisations that voluntarily adopt ETDA's governance frameworks ahead of legislation build what this article terms trust capital, a compound advantage that delivers returns across multiple dimensions of business sustainability. First, reduced transition costs: companies that have already implemented governance structures will face minimal disruption when the AI Bill is enacted, while competitors scrambling to comply will bear high costs and operational interruptions. Second, enhanced ESG credentials: as Environmental, Social, and Governance criteria become increasingly central to investment decisions, demonstrated AI governance maturity provides tangible evidence of responsible business practices. Third, market access advantage: in EU-aligned global supply chains, where Bradford's Brussels Effect creates de facto governance requirements, Thai companies with pre-existing governance infrastructure will be better positioned to meet procurement and partnership standards. Fourth, investor confidence: institutional investors conducting AI-related due diligence increasingly differentiate between companies with mature governance frameworks and those operating in governance vacuums. Governance is not a compliance burden; it is a sustainability strategy. This insight lies at the heart of the interdependency among governance, compliance, and sustainability that effective AI ecosystems require. The trust capital concept offers a practical framework for business decision-making that connects voluntary governance investment to measurable sustainability outcomes.

Aligning With and Influencing Policy

Ansell and Gash's (2008) collaborative governance framework provides a productive lens for business engagement strategy. Their model emphasises face-to-face dialogue, trust-building, and shared ownership of outcomes (principles directly applicable to Thailand's current governance environment).

Engage directly in policy formation: ETDA's public consultation processes are genuinely consultative and open to business participation. Companies that engage in these processes can shape regulation to reflect practical business realities. The current soft-law period offers an unusually open window for business-government dialogue that may close once hard legislation is enacted.

Build internal governance structures: Adopt ETDA's adopter-customiser-maker framework as an organising principle for internal AI governance. Implement AI risk registers that classify all AI systems by risk tier. Develop algorithmic impact assessments for high-risk applications. These internal structures serve dual purposes: they prepare the organisation for compliance while simultaneously improving the quality and safety of AI deployments.

Invest in governance capacity: The ethics research gap identified in Section 3.3 is both a national challenge and a business opportunity. Partnerships with Thai universities, the AI Governance Clinic, and international research institutions can build the specialist talent pool that Thailand urgently needs. Companies that invest in governance capacity-building gain access to cutting-edge expertise while contributing to the national capability that will support the entire ecosystem.

Leverage collaborative governance: Through participation in public-private sandboxes and ASEAN-aligned governance frameworks, businesses can demonstrate governance maturity while shaping the standards that will eventually become mandatory. Ansell and Gash's collaborative governance model emphasises that active participation in governance design yields both compliance advantage and market trust, outcomes that reinforce each other in a virtuous cycle.

Recommendations

For Policymakers

Accelerate enactment of the AI Bill. The legislative vacuum is becoming untenable as adoption accelerates. Every month without enforceable legislation increases the risk of harm to Thai citizens and undermines Thailand's credibility in global governance. Enactment directly addresses Easton's (1965) authoritative allocation challenge by establishing clear, binding legislative authority.

Establish a dedicated AI regulatory body. Multi-agency fragmentation is a structural weakness that cannot be resolved solely through improved coordination. A dedicated AI regulatory authority with clear jurisdictional boundaries, binding decision-making power, and adequate technical resources would provide the 'single front door' businesses and citizens need.

Mandate algorithmic auditing with sustainability criteria. For high-risk AI systems, mandatory algorithmic audits should be required before deployment and at regular intervals. These audits should assess technical performance, bias, and sustainability impacts. Investment in domestic technical capacity for bias detection and explainability is essential to build an enforcement infrastructure.

Address the surveillance accountability deficit. Thailand's credibility as an AI governance leader requires confronting the Pegasus scandal directly. Independent oversight mechanisms for government AI and surveillance deployments, judicial authorisation requirements, and transparent reporting mechanisms would begin to close the gap between governance rhetoric and state practice.

For Businesses

Adopt a governance-first approach. Voluntary compliance builds trust capital, reduces transition costs, enhances ESG credentials, provides market access advantages in governance-conscious markets, and increases investor confidence.

Map AI inventories proactively. Comprehensive AI inventories, classified against the Draft Bill's risk tiers, improve organisational understanding of AI deployments and lay the foundation for compliance.

Engage in governance processes. Applying Ansell and Gash's (2008) collaborative governance model, participation in ETDA consultations and ASEAN governance forums enables businesses to shape regulation rather than merely react to it.
Build cross-functional governance teams. AI governance requires collaboration across technical, business, legal, and ethics perspectives. Organisations should establish cross-functional AI governance committees with clear mandates, regular review cycles, and direct reporting to senior leadership.

Conclusion

Thailand has constructed a multi-layered AI governance architecture that is ambitious in scope but uneven in enforceability. This article has applied four theoretical frameworks to reveal fundamental structural weaknesses that undermine the framework's effectiveness.

Applying Easton's (1965) framework, the multi-agency governance structure fails to provide a clear, authoritative allocation of values; no single body holds binding, comprehensive authority over AI governance decisions. The reliance on soft law creates an accountability gap that Bovens' (2007) framework identifies as 'accountability diffusion.' The consequentialist-deontological tension at the heart of the innovation-regulation debate remains unresolved, reflecting competing philosophical visions of Thailand's role in the global AI economy. Furthermore, Bradford's (2020) Brussels Effect adds international urgency: as EU governance standards become de facto global requirements through supply chain mechanisms, Thailand's governance choices have consequences that extend far beyond its borders.

The governance paradox identified through the comparative analysis, Thailand's faster AI adoption but slower governance maturation relative to the EU, has implications beyond the Thai case. It suggests a structural challenge facing developing economies more broadly: the countries with the most dynamic AI adoption, and therefore the greatest need for governance, may be precisely those with the least institutional capacity to implement it. This paradox warrants further empirical investigation across ASEAN and other emerging AI economies, and offers a transferable analytical concept for scholars and policymakers working on AI governance in developing contexts. For businesses, this article has argued that AI governance should be reframed from a compliance burden to a sustainability strategy. The trust capital concept (the compound returns from voluntary governance adoption across transition costs, ESG credentials, market access, and investor confidence) provides a practical framework for business decision-making that connects governance investment to measurable sustainability outcomes. Organisations that govern first, comply early, and engage proactively in shaping the governance framework will be best positioned in Thailand's evolving AI ecosystem. Thailand possesses the institutional foundations, the policy ambition, and the strategic positioning to develop a governance framework worthy of its digital ambitions. Whether it can summon the political will to close the gaps identified here (the legislative vacuum, the surveillance accountability deficit, the multi-agency fragmentation, and the research capacity crisis) will determine whether Thailand's governance promise translates into governance reality. The stakes, for Thailand's citizens and for the emerging AI economies that look to Thailand as a governance model, are considerable.

Limitations and Future Research

This article has several limitations that should be acknowledged. First, as a policy analysis rather than an empirical study, the findings are based on documentary analysis of government publications, international reports, and secondary sources rather than primary data collection. Future research could strengthen these findings through surveys of Thai businesses' governance practices, interviews with policymakers and regulators, or quantitative analysis of compliance outcomes.

Second, the comparative analysis focused on the EU as the primary benchmark. Future research could expand this comparison to other ASEAN member states or to other emerging AI economies such as India, Brazil, or Kenya, to test the generalisability of the governance paradox concept.

Third, the trust capital concept, while analytically productive, requires empirical validation. Longitudinal studies tracking the relationship between voluntary governance adoption and business outcomes, including investor confidence, market access, and transition costs, would provide the evidence base needed to move from a conceptual proposition to an empirically grounded theory.

Finally, Thailand's governance landscape is evolving rapidly. The Draft AI Bill's enactment, PDPC enforcement trends, and ETDA's governance tools programme will continue to reshape the regulatory environment. Periodic reassessment of the findings presented here will be necessary as the governance architecture matures.

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Ethics Approval: Not applicable. This article does not involve human participants, animals, or primary data collection.

Author Contribution: The author conceived the study, conducted the policy analysis and comparative evaluation, and wrote the manuscript.

Abbreviations: AI, Artificial Intelligence; ASEAN, Association of Southeast Asian Nations; BOI, Board of Investment; DPO, Data Protection Officer; EEC, Eastern Economic Corridor; ELSI, Ethical, Legal, and Social Issues; ESG, Environmental, Social, and Governance; ETDA, Electronic Transactions Development Agency; EU, European Union; GDP, Gross Domestic Product; GDPR, General Data Protection Regulation; LANTA, Large-Scale Academic National Tier-A Supercomputer; MDES, Ministry of Digital Economy and Society; NECTEC, National Electronics and Computer Technology Center; ONDE, Office of the National Digital Economy and Society Commission; PDPA, Personal Data Protection Act; PDPC, Personal Data Protection Committee; R&D, Research and Development; SMEs, Small and Medium Enterprises; TDRI, Thailand Development Research Institute; ThaiLLM, Thai Large Language Model; UNESCO, United Nations Educational, Scientific and Cultural Organization

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