

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

NATIONAL ECONOMIC AND
SOCIAL DEVELOPMENT BOARD (NESDB)
OF THE KINGDOM OF THAILAND

WESTERN SEABOARD
REGIONAL DEVELOPMENT
MASTER PLAN

FINAL REPORT

VOLUME 2

SOCIAL ENVIRONMENT

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WESTERN SEABOARD
MASTER PLAN
Volume 2
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June 1997

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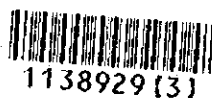
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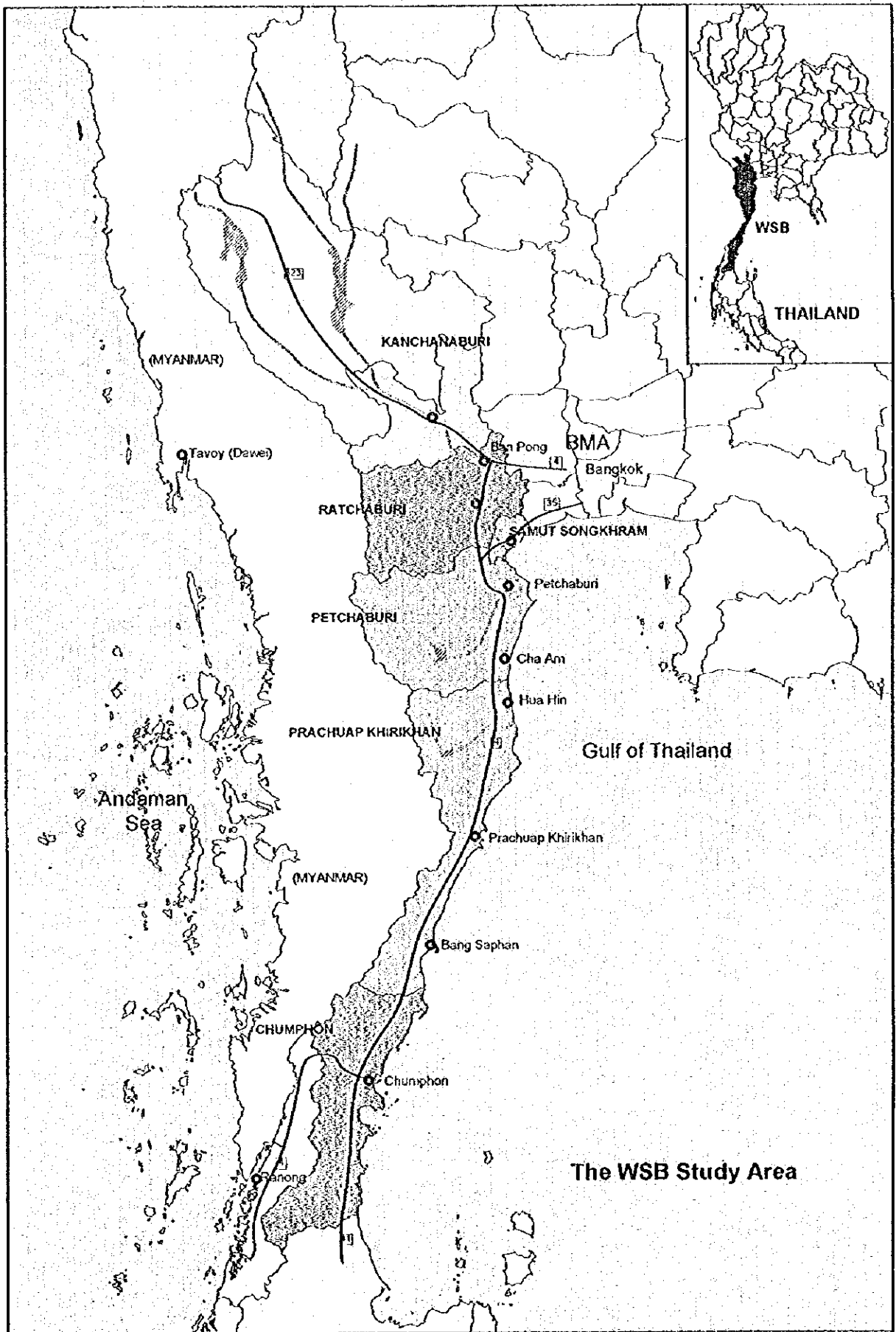


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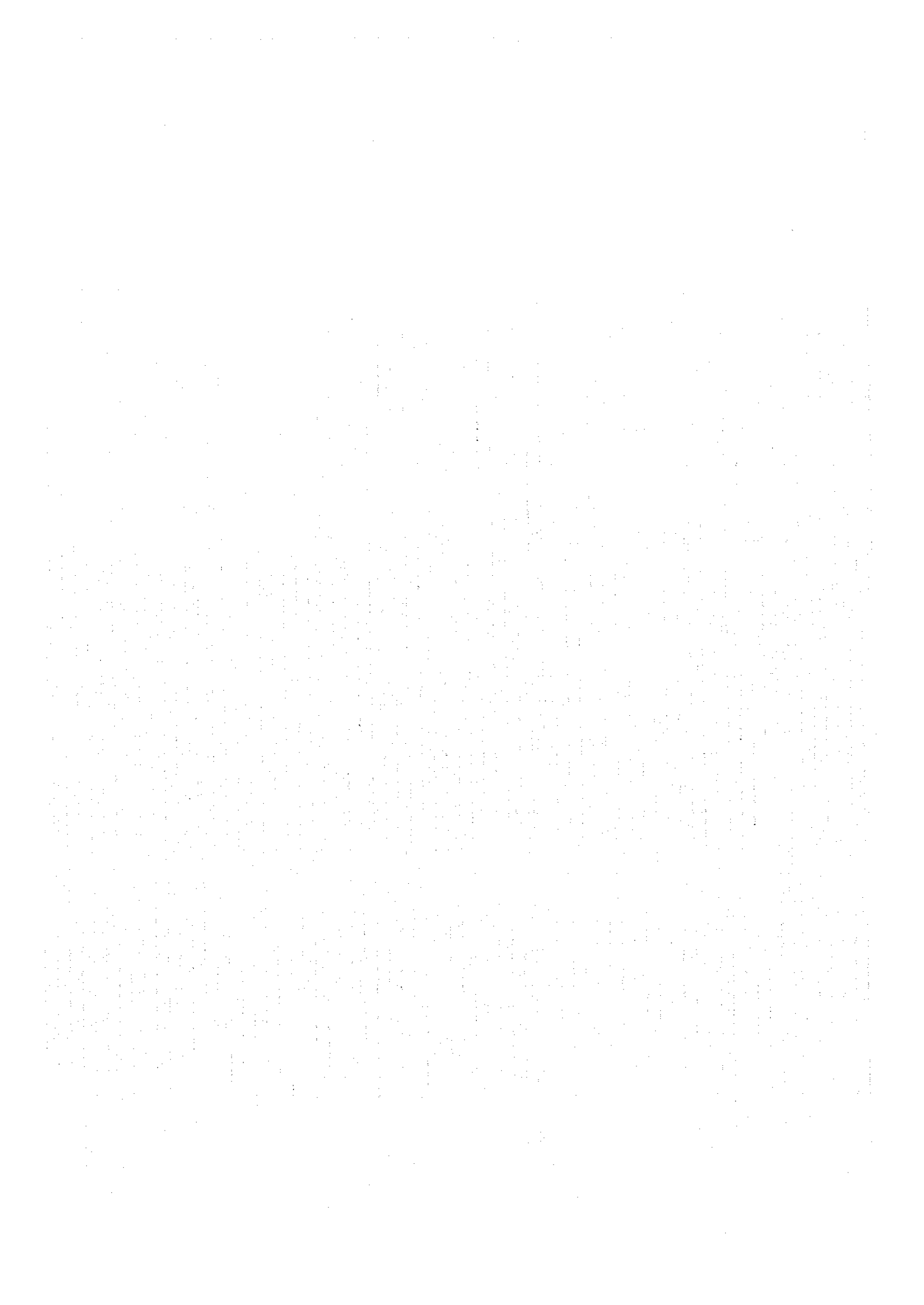
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The WSB Study Area



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Chapter 1 SOCIAL DEVELOPMENT

1.1 Introduction

This is a report on social policy concerns in the Western Seaboard of Thailand (WSB) -- not so much concerns about the current social structure, but rather, concerns about how social values may be altered in the future with planned (economic) development activities. The 8th Economic and Social Development Plan for Thailand speaks a good deal about social values and the need to maintain them in the face of pending economic development. It has been decided that the Western Seaboard Regional Development Master Plan Study in the Kingdom of Thailand should show an appreciation of social concerns and accord them high priority in project recommendations. Information from local residents and their administrative representatives is considered vital for reflecting social concerns in project formulation or indeed substantiating the heavy social emphasis in the 8th Five-Year Plan and "Thailand Vision 2020."

One of the first issues addressed in this report relates to the scope and content of social policy. Considered in broad terms, social policy would be seen to encompass the sum of activities which affect individual well-being. In this event, economic, educational, legal, and political systems would all be seen as subsets of the broader social system. A more restrictive definition would define social policy, in bureaucratic terms, as what social policy makers do. Under this approach, social policy would be defined as those activities engaged in by the Ministries of Public Health, Labour and Social Welfare, Education, and so on. Clearly a balance must be found between inclusiveness and practicability, and the following discussion presents alternative formulations.

Social policy is the amalgam of programs designed to internalize what are perceived to be external or social costs. The existence of poverty or illiteracy is generally felt to relate negatively to the collective well-being since the associated costs extend beyond the impoverished or the undereducated to society-at-large. In structuring income-transfer or remedial-education programs, the intent is to *minimize* these social costs through pooling -- to transfer costs to public budgets rather than leaving a perceived unfair burden to be concentrated on less fortunate individuals. Basically, social policy comprehends what might be called the "human services", e.g., health, housing, day care, nutrition, income support, counseling. It is the individual, rather than the system within which that individual operates, which is the focus of social policy. While economic

policy is largely concerned with the *production* of goods or services, social policy is largely concerned with providing equitable *access* to goods and services. Although the primary focus of social policy is distribution, as opposed to allocation, most programs in practice mix more than one functions. Human capital investments such as education and health are made partially to improve the distribution of income opportunities but they are also undertaken to increase economic growth prospects.

One possible distinction between a "standard" economic development plan and one which is "socially-oriented" has to do with objectives. Under the "standard" approach, a region would be developed primarily in an effort to maximize potential *national* economic growth rates. Here, targeted regions would largely be seen as agents of nation-wide growth, and investment resources would be allocated on the basis of expected contribution to GDP acceleration (comparative regional advantage). With a "socially-oriented" development plan, the objective would be to raise the living standards of residents within the target area, with little attention paid to possible spillovers to other regions of the country. The remainder of this volume emphasizes the planning objective of maximizing income opportunities for residents of the WSB, subject to constraints on other social objectives and concerns.

As a second introductory matter, this Chapter deals with the question of appropriate roles in the implementation of social policy: i.e. who should do what? Although it is commonly assumed that social policy is a matter for governments to implement and control, the emergence of non-governmental organizations in the protection of targeted groups shows that agents outside the government can play an important role in the furtherance of social welfare.

Third, it is stressed that there are limits to what can be accomplished by way of managing or improving social welfare. Economic development can put severe strains on social systems. Some, but not all, of these strains can be avoided, others can be offset. Some cannot be addressed at all within acceptable cost levels. Morality, for example, cannot be effectively legislated. Governments cannot make people act responsibly or morally -- they can only punish irresponsible or immoral acts. Moreover, social policy in Thailand is largely a national concern, which significantly limits what can be done within a regional development plan. Finally, it is cautioned that micro-management of social policy at the local level is neither feasible nor desirable. The best that national-level planning can do is to create a favorable social environment within which individuals are left free to pursue their own social objectives, subject to constraints on the external (social) costs of their actions.

1.2 Existing Social Conditions in the WSB Region

1.2.1 Demography

Table 2.1.1 provides information on the population of the WSB for 1981, 1990, and 1994. The data are derived from *National Accounts* and the Population Division of NESDB. The total population of the WSB was 2.9 million in 1994. The population in the region has been growing more slowly than that of other areas of Thailand outside of Bangkok (1.2 per cent versus 1.4 per cent), and lower than the average rate of increase for the Kingdom as a whole (1.6 per cent). The primary reason for these differential growth rates has been migration: the WSB has been a net population loser and Bangkok, which grew at 2.6 per cent per annum from 1981-1994, was a net population gainer over the years covered. Differential migration propensities are due primarily to perceptions of differential employment and earning opportunities, as well as to differentials in such amenities as schools.

Table 2.1.2 provides estimates of population growth in the WSB and in other areas of Thailand up to the year 2011, which is the end of the 10th Plan Period. The data reflect trend rates of increase as estimated by NESDB. Provincial-level projections are available only up to the year 2010, so trend rates had to be extrapolated one year forward. Naturally, these trend rates assume no increase in the relative economic growth of the WSB.

Table 2.1.3 shows the 2011 population projection broken out by gender and age. The projections allow for an aging of the population, so that those over 60 years, who accounted for 8 per cent of the total in 1990, are expected to increase to 12 per cent by 2011.

Table 2.1.3 also shows the expected population distribution by province for 2011, under the assumption of continuation of current trends. Again, it is noted that the investment projects recommended by the WSB master plan will likely imply a somewhat faster rate of population increase (through migration adjustments) than are assumed in these projections. Indeed, many of the proposals could not be implemented unless population (labor force) and productivity are increased.

1.2.2 Broad Statistical Indicators¹

By most statistical indicators, the Western Seaboard ranks as a rather ordinary sort of place compared with other areas in Thailand. It stands solidly in the middle of almost all statistical rankings, with few extreme scores. Gross Provincial Product per capita rank between 14th and 31st among Thailand's 73 provinces. Between 1981 and 1994, however, the WSB's relative per capita GRP in relation to the average for the whole Kingdom fell from 102.8 per cent to 79.3 per cent, making it the worst performing area in the Kingdom during this period. Samut Songkhram was the fourth most densely populated province in Thailand in 1994, but none of the other provinces ranked in the top 10 *most or least* crowded areas in Thailand.

Only Ratchaburi shows up in the rankings of provinces having the most or least passenger vehicles in 1993: it was ninth out of 10 provinces having the most cars and motorcycles, and 5th in terms of vans and pick-up trucks. Similarly, none of the six provinces in the WSB ranked in the top ten of provinces having the most or the least number of telephones or population per telephone in 1993.

1.2.3 Migration

The provinces of the WSB form a corridor linking the Northern and Southern regions of the country, and international markets as well. They have experienced a great deal of change due to migration patterns -- from South to North or to Bangkok, or, more often, from North to South, or from Myanmar. The major corridor, North-South Route 4, cuts through most of the region, bringing a flow-through of trucks, supplies, and temporary residents. These have all been accommodated with typical Thai adaptability and compassion. Of those families which have remained in the area, most seem reasonably content, or even more than reasonably. They like their neighbors, and the quality of their lives. Families are stable, and concerns about the environment are only now emerging. Some would like to see greater prosperity (i.e., jobs and incomes), and others are concerned by the social consequences of too-rapid or uncontrolled development. A number of families would like to see development in their areas so that they could share in increasing prosperity through land sales.

¹ Data in this section are derived from Alpha Research Co., Ltd. and Manager Information Services Co., Ltd., *Thailand in Figures, 1995-1996*, 3rd Edition, Bangkok, 1995. Due to subsequent revisions in published data, as well as to different geographical definitions, these figures may not be directly comparable with data presented elsewhere in this Report.

Young people have been leaving the WSB for better education or career opportunities in more urbanized settings. There are no public universities in the WSB although there are branch campuses just outside, and branch campuses of private universities are having difficulty attracting quality instructors. The rate of employment increase has been modest in relation to the national average, and agricultural employment, traditionally a mainstay of the economies of the region, has been declining. There are few challenges, or amenities, to offset the generally deteriorating labor market conditions, from the perspective of a young person wishing to better his/her family's life.

1.2.4 Income Distribution

Table 2.1.4 presents estimates of the distribution of monthly household incomes and expenditures in the WSB for 1994, which is the first time the National Statistical Office's biannual *Survey of Income and Expenditures* was carried out at the provincial level. The following two figures present graphical representations of average household expenditures (Figure 2.1.1) and household income (Figure 2.1.2) distributions within the Study Area. A comparison of the two figures shows that consumption expenditures are more normally distributed than are incomes, which is logical and in conformance with international findings. Differences between incomes and expenditures imply either savings or implicit borrowing. The implicit savings rate for all households in the WSB is 12.7 per cent, which exceeds the national estimated savings rate of less than 10 per cent of GDP. Borrowing can imply a subsidy (gift) from (extended) family members, neighbors, the government, or some other form of income transfer. It may be noted from Figure 2.1.2 that nearly 8 per cent of the surveyed households reported monthly incomes of between Baht 2,000 and Baht 2,499. There are nearly twice as many of these households as there are households whose incomes lie between Baht 10,000 and Baht 10,999; in other words, there are relatively more "low-income" households in the Study Area than there are "well-off" households. It should be noted that the *Income and Expenditure Survey* is generally conducted during the work-week, and thereby fails to include some of the affluent Bangkokians who only visit the area on weekends.

From Table 2.1.5, it may be seen that, on average, households headed by a "professional" have the highest average incomes (Baht 12,149) while farm workers have the lowest (Baht 4,864). This reaffirms an observation that farm/non-farm differentials in incomes are significantly greater than are differences in household incomes across provinces. Comparing all households across the six provinces in the WSB, the variance

in incomes across the various socio-economic categories (farm operators, own-account, non-farm, professionals, and farm workers) is over four times as large as is the income-variance across provinces.

It would appear that household income is influenced more by the occupation of the household head than by any other factor. The groups with the highest number of earners per household, farm operators and workers, also have the lowest average monthly incomes. Moreover, farm and general workers have the largest average household sizes.

It is not possible to calculate the incidence of poverty within or among the provinces in the WSB, because poverty lines for each of the provinces have not yet been stipulated. Poverty standards should be adjusted for geographic cost-of-living differentials, as well as for alternative family sizes. A simple examination of incidence of low households incomes is not adequate justification for public-sector intervention; analysis of incomes in relation to basic needs is required as well.

One interesting problem which can be noted with regard to the available data concerns recent shifts in provincial rankings. At the time of the Income and Expenditure Survey (1994, with income data referring to 1993), Samut Songkhram was the top-ranked province in the area, with average monthly household income of Baht 11,278 (above the average for the Study Area of Baht 7,795). Since that time, however, incomes in Samut Songkhram have fallen in relative terms, so that it is now one of the *lowest*-income provinces in the WSB. Environmental degradation has caused the demise of a number of profitable shrimp farms in the area. Those who have not already done so are looking to sell their farm/shrimp land.

1.2.5 Urban/Rural Amenities

There are three main areas of concern in this regard: water availability, sewage/drainage facilities, and garbage collection. All three problems apply to both urban and rural villages, but the problems are most acute (or at least most noticeable) in townships, many of which have serious flooding during the rainy season. Concerns about various public services (including such amenities as night-life) are on the minds of local residents, as will be noted in the next section.

There does not appear to be much city planning going on in the WSB, or, more likely, if it is, plans are not being implemented. This is not yet of great concern but will rapidly become so. Even if the targets of the 7th Plan were to be continued, the WSB region could expect urbanization pressures around Ratchaburi and Hua Hin, for example. Those pressures are likely to persist during the 8th Plan period; city planning, zoning, and enforcement will be necessary to contain urban degradation and encroachment. The designation of "historic districts" within urban or rural districts can be a useful tool to contain the social costs of development. At the moment, however, the problem appears to be enforcement of existing regulations regarding land use. Often, land zoned for one purpose is turned to another use, and authorities seem to have little power (or will) to prevent violations of existing regulations.

1.2.6 Views from the Residents (Household Perception Survey)

It was felt important to determine the views of local residents on the quality of their lives and neighborhoods, their aspirations and fears about the future, and their opinions about local administration. Accordingly, a small household survey was undertaken. The original questionnaire, along with frequency counts of responses to respondent identification questions, are included in Appendix I.

Although the sample is small (122 respondents), distributions are very much in line with expectations: 52 per cent of the sample was located in towns, with the remaining 48 per cent in outlying environs. Of the total of 122 persons interviewed, 14 per cent of the respondents were considered "lower income", 62 per cent were "middle class", and 24 per cent were considered "wealthy." Males comprised 57 per cent of respondents, with females making up the remainder. The sample is more highly educated than the employed population of the WSB; 22 per cent of the sample reported lower secondary schooling or less, while for the Study Area as a whole, it is nearly 60 per cent. Moreover, there were a surprisingly large number of university graduates (16 per cent) in the sample, compared with about 1 per cent of the employed for the WSB as a whole, as estimated. A closer examination of the data shows that there were 13 middle class women (all in towns) who reported university completion, and this tilted the distribution in favor of higher education.

Respondent views regarding the quality of their lives within the WSB were generally positive: out of a possible score of 10, average responses were close to 8, with the lowest score being accorded to religion (7.13), and the highest score accorded to

"convenience to shopping." Interestingly, the amenity which was cited most favorably by respondents was the availability of schools. At the other extreme, a lack of day care facilities was noted by both town and rural residents with score of 2.21. "Night-life amenities" were ranked particularly low by rural respondents.

Of area features most appreciated by respondents, environment/natural beauty was ranked first, while the availability of cultural amenities was ranked last. Of those factors *least* appreciated about their residential areas, respondents listed such concerns as crime, lack of public utilities, and pollution. Poor governmental services were cited by nearly 10 per cent of respondents as a problem for them. It will be noted that there is some double-counting in these responses as some respondents (at least 60) cited more than one concern.

Respondents were asked to list what they considered to be the most significant changes which had taken place in their areas during the last five years. The most frequently cited development was improvement in public utilities (listed by 34 per cent of respondents), with economic improvements (rising incomes and job availability) ranked fourth in terms of important developments (10 per cent). Not all cited changes were positive: rising land prices, an influx of immigrants and factories, population congestion, health problems, and degradation of the environment were all noted. Of the total who had experienced one or more of such changes, 57 per cent felt that it had been positive.

As follow-up to this point, respondents were asked to suggest changes which had *not* taken place but which they felt would have been beneficial to their areas. The need for expanded public utilities, schools/learning institutions, and factories were the top three responses, but a complete analysis of responses suggests growing concerns about the social costs of development (pollution, safety, family values, and congestion).

Very few (21 per cent) of those interviewed had heard of the kind of regional plan considered in this report. In fact, most of the 26 positive responses to this question were derived from residents of Ratchaburi, who were aware that their province had been designated as a regional development center. It was the general impression of the interviewers that the level of resident awareness of possible development plans, especially regional plans, is extremely low.

A significant majority (77 per cent) of respondents expect to stay in their areas for at least another 10 years, with an additional 11 per cent not sure. Only 12 per cent of those who had made up their minds expected to move in the foreseeable future. Those who

intend to stay were born in the area and many now have businesses there. Those wishing to move are motivated by job or family considerations.

Relations with neighbors appear quite harmonious. Fully 92 per cent of respondents expressed positive views about their neighbors; 37 per cent felt that they could generally depend on their neighbors, 27 per cent felt that their neighbors were friendly, 21 per cent that they were dependable, and 15 per cent expressed other positive sentiments. Only 8 per cent mentioned specific problems with their neighbors, generally alleging that they were selfish.

Resident views of the young people in the WSB are mixed, as they generally are throughout the world. Positive opinions, like "young people in my area are generally well-behaved", were expressed by 39 per cent of respondents. Fears about increasing drug utilization among the young were expressed by 34 per cent of the sample.

Residents were asked their views concerning the conditions of the elderly in the WSB region. Only three respondents (2.5 per cent) felt that the elderly were not well cared for, while 45 per cent of the sample felt they were. Most of the care is provided by families/relatives (92 per cent), with an additional 6 per cent by neighbors.

Asked about possible or needed improvements to their areas of residence, the most often cited possible improvement (expressed by 35 per cent of the sample) concerned public utilities (roads, electricity, water). The second most cited necessary improvement concerned schools (particularly universities). Thereafter, the ranking of required improvements includes local administration (12 per cent of respondents), environmental protection (9 per cent), more jobs (7 per cent), fears of crimes and drugs (6 per cent), morality, government services, and migration. Respondents were asked to rank necessary improvements according to the priority they would attach to each. The first improvement felt needed was economic (38 per cent of the sample), followed by a perceived need for more educational opportunities (18 per cent).

A number of questions were asked about the political participation of residents. Of the total of 122 respondents, 95 (78 per cent) were aware of recent local elections. Of these positive responses, 54 (57 per cent) did not participate in the elections or there were no elections in their particular areas. Of the 40 respondents who participated in the elections, 34 per cent voted, and 3 per cent were members of election committees. Perhaps the most interesting response about why respondents were interested in local politics was given by a woman living in one of the town centers who said that her interest

was prompted by an ability to earn money during elections. An additional 36 respondents reported that they "do not care about politics". Reasons for lack of interest in local politics are varied. Of the 36 for whom this question was applicable, 22 per cent were too young or old, and 28 per cent felt they did not have enough available time. Of the remainder (50 per cent), reasons for non-participation appear to be alienation with the process: they do not want to get involved (19 per cent), see no change associated with participation (6 per cent), and 25 per cent had no knowledge about local politics, felt it was only appropriate for men, or felt the process was corrupted by vote buying.

The majority of respondents know their local representatives, although recognition depends on the position of the representative. Most respondents (93 per cent) know who their local Member of Parliament is, 37 per cent know their District Officer, 70 per cent know their Subdistrict Officer, and 62 per cent know their village headmen. Resident perceptions about the quality of their local administrative offices are generally positive. Of the 122 respondents, 8 per cent reported that they did not know their local officers or could not rate their performances; 30 per cent held negative views on the performances of their local administrators; 60 per cent were positive about administrative performance. Residents appear to be aware of the limited authority available to local administrators and are somewhat sympathetic to the difficulties involved in such jobs.

Shopping patterns provide another indicator. Only about 10 per cent of respondents reported that they go outside their districts or provinces for shopping (adding in the 2 per cent non-response). For such specific items as houseware, hardware, or equipment, outside-area shopping is rare (5 per cent or less).

Sources of credit for investment reflect the internally-sufficient social character of the WSB. Although 11 per cent of respondents indicated they would not consider borrowing for investments, the remainder generally cited local sources of possible credit sources, were they to borrow (commercial banks, cooperative funds, relatives, etc.).

A slight majority (57 per cent) of respondents felt that they were adaptable to change, a distinct minority (5 per cent) felt themselves resistant to change, and the remainder of the sample took the practical view that it would depend on the issue.

Due to the recent media coverage of illegal migrants, it was decided to ask a series of questions about migrants from Myanmar. The majority of respondents had either actually seen or at least heard about the presence of Myanmar migrants in their areas (84

per cent had at least heard of the presence of persons from Myanmar). Such immigrants are thought to work at lower-skilled jobs in agriculture, fishing, construction, factories, or the service sector. Respondents tend to hold mixed views about Myanmar migrants, but there are more positive than negative views; a total of 59 per cent held positive or sympathetic views against 24 per cent who held negative views. Reasons for being positive about these migrants were "cheap labor", or "hard-working and diligent." Reasons for being negative include "cannot trust", "cannot communicate", or "they are illegal."

The final question put to the sample of residents asked their views on social concerns for the coming 10 years. Over one-third of the respondents (97 of 268 responses) were concerned about accelerating industrial development, pollution, and crowding. On the other hand, 60 respondents (22 per cent of the sample) were concerned about unemployment, inflation, or not being able to earn enough. These responses suggest a desire for increased job and income opportunities, which implies a need for increased investment.

1.2.7 Views from Local Administrators

In order to provide a consistency check of the answers provided to the household perception survey, some local officials were interviewed. Formal contacts were made through the Provincial Governors' Offices; less formal ones were made through the Ministries of Public Health, Education, and Labor.

Nearly all local officials interviewed recited the Provincial Investment Plan as his/her "vision of the future". These plans, having been developed well before the 8th Plan, and under the authority of the Ministry of the Interior, make little specific mention of social concerns. Nor do they consider any regional implications. In fact, none of the officials knew anything at all about the "social orientation" of the 8th Plan.

Another interesting outcome of these discussions was that many interviewed were new to the provinces in which they were working, and thus were not really familiar with the residents or the local environment. It should be recalled that most local authorities, save for Lord-Mayors and staff, plus some municipal authorities, are appointed by the Ministry of the Interior. There was not much consideration of assisting or supporting local residents or businesses in trying to improve local conditions. Most felt powerless in trying to control the speed of industrial development, or to contain its social costs.

Length of time in service in the same province had a strong bearing on whether officials had considered problems of the social consequences of industrialization, but generally little attention was given to ideas to solve those problems.

The WSB development plan is not considered a career advancement for civil administrators, nor does it offer opportunities for secondary income opportunities. Depending on distance, many return home to Bangkok each weekend. The question of what it would take to attract civil servants to local areas is a matter to be pursued in future research and analysis.

1.3 Context of WSB Social Development

The core of the 8th Plan is presented under the heading "Goals and Master Strategies to Achieve Them". Included are the following objectives:

- Empowerment of the people;
- Creating an enabling environment for the people's development;
- Strengthening the development potential of the regions and rural areas;
- Developing economic capability to enhance the development of people and the quality of life;
- Managing sustainable natural resources and environment;
- Development of sound governance; and
- Management empowerment of national plan implementation.

What these objectives express is a realization that, while economic growth may be necessary to permit human advancement, it is not sufficient to insure it. The 8th Plan, therefore, marks a shift in national development philosophy away from simple economic growth orientation toward concerns about holistic human development. In this sense, the Plan is consistent with Thai Buddhist culture and traditions, "seeking to balance forces in a holistic way by promoting the well-being of all, empowering people and creating enabling environments for the development of their full potentials."

The 8th Plan differs from previous five-year plans not only in terms of content, but also in the way it was put together. A "bottom-up" approach to planning was followed, with public hearings and input from ordinary citizens, NGOs, religious organizations, and others from the local level. That spirit of "empowerment" is emphasized throughout the Plan, and it relates to the objective to develop "sound governance". This would suggest

that various mechanisms must be found to insure local participation in the development process -- through voting, opinion surveys, periodic meetings between administrative staff and local residents, and active participation by appropriate NGOs.

The Plan identifies a number of issues (social concerns) which had not been addressed in previous five-year plans as follows:

- Increasing disparities and related poverty;
- Social disintegration and related problems (drugs, crime);
- Family breakdown;
- Environmental degradation and natural resource depletion;
- Lack of adequate knowledge and skills of the labor force;
- HIV/AIDS;
- Loss of cultural identity and rise of materialism;
- Child prostitution and labor;
- Insufficient women's participation in decision-making; and
- Unsustainable farming livelihoods of landless farmers.

In attempting to set out some social guidelines for the development of the WSB, it is useful first to review a number of background factors which will ultimately condition the alternative appeal of various policy options. One of the first of these is the high degree of mobility among Thai citizens, which, incidentally, has led to extreme flexibility in labor markets, and an ability to adjust rapidly to external economic shocks. The less pleasant corollary is that migration appears to be highly responsive to geographical differentials, particularly economic ones. This further implies that a tradeoff must be faced between (comparative regional) growth and the associated migration shifts that the differential growth might induce. This, in turn, recommends the case for balanced regional development.

A second factor to be considered is the somewhat paradoxical relationship between "Thai Cultural Values" and concerns about "Changing Social Values." One of the first attributes of Thai cultural heritage apparent to visitors is adaptability, which has helped Thai culture withstand both cultural and economic shocks from the international community. There is little evidence of resistance to change in the WSB. There is also no evidence of desire for rapid development. This suggests that controlled development within well-defined industrial zones would match resident objectives of increasing economic opportunities while minimizing social disruption. Naturally, the "cleaner" the industry, the better.

Third, rapid economic growth during the last two decades has conditioned many Thais to expect a continuation of material progress. As responses to the household perception survey have indicated, residents of the WSB are concerned with the possible social costs of economic development, but they nevertheless welcome that development and the increased earning opportunities it represents.

A final serious constraint on development prospects concerns the capacity of local administrators to work effectively with private investors in project implementation. This has proved to be an obstacle in past development projects, and, with the added requirement of involving the local community in project-design deliberations, further delays can be expected.

1.4 *Vision and Scenarios for WSB Social Development*

1.4.1 Vision for WSB Social Development

The WSB regional development will continue to be an essential part of national socio-economic development, contributing to the attainment of goals for the latter. Especially, in view of the major departure of the 8th Five-Year Plan from the efficiency and economic growth oriented development paradigm, the WSB social development plan should aim at the following:

- (1) Early realization of the post-industrialization or post-AFTA society anticipated by the Thailand Vision 2020 based on socially-oriented and human-centered development.

The WSB regional development will have to be based on its resource base and existing conditions as analyzed in Chapter 2 of the Main Report. In particular, given its limited natural resources and capitalizing on its geographic position relative to the BMA, the WSB region should specialize in certain social functions complementary to those of the BMA. Thus the following is another important aspect of the social development of the WSB:

- (2) Establishment of a social niche as an integrated part of the Greater BMA Region, a functional capital of continental Southeast Asia, providing complementary functions to those of the BMA, specialized in certain social services and amenities such as

research and development, advanced education, tourism-related services and community-based social services.

1.4.2 Scenarios for WSB Social Development

(1) Basic Perception

The attainment of the vision for WSB social development would involve significant changes in the social structure and needs in the WSB region. One fundamental change would be that the WSB region would turn from a net out-migrating region at present into a net in-migrating region. Even if the productivity in the region were increased to minimize the need for an increased labor force and associated social changes, this fundamental change may occur in the near future. Also, the WSB region receives at present a large number of in-migrants from Myanmar. How to accommodate them especially in relation to changing local communities and with respect to local participation is another issue to be addressed in the WSB regional development plan.

The scenario for WSB social development should perceive the increasing number of in-migrants as providing a wider range of opportunities for socio-cultural and human development. As the population in the WSB region becomes socially more diversified, more dynamic interactions would be expected between peoples of different backgrounds, and more diversified social services may be justified.

(2) Some Early Changes

At a fairly early stage in the development process, pressures will develop which will operate to alter migration patterns. Emerging labor shortages will result in rising wages, which will depress tendencies for out-migration.

As economic development picks up, urbanization is likely to increase. This is generally associated with a weakening of ties among family members and neighbors. With the urbanization comes environmental degradation.

Labor market pressures might mount to increase women's participation in the work place, creating deficits in time available for non-market activities (i.e. housework), which may induce some social system for compensation to develop. Implicit day-care costs increase as the extended family support system is eroded. Income distribution may

continue to worsen, even while the poverty incidence would continue to fall and the middle class would increase in relative terms.

Political participation might decline as individuals begin to feel a growing detachment from their neighborhood communities. To cope with changing social structure and needs, a more flexible system would be necessary for development planning and administration. Such a system would be based on more substantive participation by local people/communities for various functions from participatory planning to monitoring and evaluation.

Initiation of the structural changes envisioned above may be facilitated by early implementation of some key development activities such as the following:

- pilot implementation of participatory health care system,
- establishment of new institutes for advanced research and education,
- upgrading of facilities for conventional tourism capitalizing on existing tourism activities and facilities,
- establishment of a monitoring system for social changes with local participation,
- organization of more non-formal education programs focusing on creating socio-political awareness among the residents of WSB, and
- encouragement and support of regional higher educational institutions to play a more active role in research and community service as well as training activities.

(3) Broad-Based Changes

As the WSB region turns into a net in-migrating region, more broad-based improvement of social services and amenities would be undertaken. The increasing number of in-migrants would provide justification for more accelerated improvement of various social services and facilities serving local people. Such improvements should be made with the view to inducing more dynamic interactions between original inhabitants and new in-migrants. For more effective interactions, a holistic approach should be taken, addressing various concerns for social and human development in totality rather than in a piecemeal manner.

The idea of a holistic approach to social and human development is to ensure that opportunities are available for all the related activities involved in realizing social and human development as a whole. The opportunities go beyond social services and extend

to other related areas. Expected changes related to different opportunities are described below.

(i) Opportunities of Health Services: presence of accessible physicians, hospitals and clinics, and an assurance that they would get paid, from either public or private funds. Problems of health care provision are minimized when health standards are increased. This recommends programs to stimulate better nutritional patterns, pre-natal care, better occupational health and safety standards, improved information dissemination about health issues, and the like. One of the most important sub-issues within the health sector in the WSB is how to increase the number of health providers (e.g., physicians, nurses, dentists). To attain the level of the national average in the public health indicators, the WSB will have to double the number of physicians currently available.

(ii) Opportunities of Education and Training: Improvements in the quality of education and training will require expansion of available facilities particularly in rural areas, and an upgrading of teachers and teaching methods in all areas. Much of the necessary job training of the area labor force should be provided on the job, so the private sector should have a leading role in the provision of training. The government can assist work-place training through the provision of competency standards and certified skills testing. The upgrading of educational standards should be the prime concern to be addressed in the WSB regional development plan.

(iii) Opportunities of Housing: i.e., available units at reasonable prices, depending on population patterns. The current housing situation in the WSB is generally adequate. The question is whether migration is elastic with respect to differentials in job opportunities; that is, whether the WSB development will be sufficient to induce an influx of either Thais or foreigners, who might strain the social environment. This is particularly important if and when industrialization is accelerated in the WSB region. Zoning is considered as an attractive tool to permit residents to retain the character of their living areas.

(iv) Opportunities of Transportation: While attention is paid to the placement of highways and motorways to facilitate trade, local roads conditions should be improved to promote social/human development. Expansion of intra-regional local road networks should be promoted for rural development, as well as for local commuters to avoid the major highways.

(v) Opportunities of Amenities: Matching an improvement in local roads, there need to be amenities: stores, libraries, stages and arenas, sports facilities, recreational areas, public parks, etc. The distribution of amenities among rural areas or their nearby urban environs is particularly important. Cultural activities should also be promoted. Opportunities of amenities should be addressed in both rural and urban development in the WSB.

(vi) Availability of Social Infrastructure: such as sanitation, water, sewerage, drainage, electricity, and garbage disposal, both in rural and urban areas in the WSB. The service ratios of these items of social infrastructure in the WSB is still below the national average. The WSB regional development plan should aim at attaining at least the national average level of social infrastructure.

(vii) Opportunities for Productive Use of Non-Work Time: meeting needs for sports/recreational facilities is important. Equally important are libraries and other learning centers, including community colleges and non-formal educational facilities. The availability of learning opportunities (public and private) is an important component of individual and social values.

(viii) Job and Wage Opportunities: The types of jobs to be made available in the WSB will largely determine the socio-economic backgrounds of residents. Moreover, jobs determine incomes, and thus help to determine the macroeconomic environment in the region. Through interviews in the Study Area, it was found that residents are keen to see an improvement in job and wage opportunities in the WSB. At the same time, residents are concerned about environmental issues and are worried about pollution and other possible external diseconomies from industrialization. Enhancement of job and wage opportunities should go hand in hand with environmental considerations.

(ix) Access to the Decision-Making Process: Empowerment of the people means insuring that local views on development can be articulated and fed into the decision process. The local administrative structure, constrained as it is by the current national centralization of authority, does not appear conducive to the desired dialogue between administrators and local residents. As manifested in the 8th Plan, access to the decision-making process should be promoted to enhance social/human development. The newly instituted Tambon Administrative Organizations (TAOs) should be systematically and constantly strengthened so

that these organizations can help promote public participation in the development process.

(x) Socially-Conductive Environment: Constructive interaction among neighbors will have to be allowed for in promoting a socially-conductive environment in the region. Neighbors should be friendly, helpful, and reliable. This sort of objective is not easily legislated, but there are a few things the government can do to encourage interaction among local residents, such as creation of civic or neighborhood associations. NGOs can also serve to open lines of communication between residents and local officials. Local cultural events also stimulate desired interactions among local residents.

1.5 Objectives and Strategy for WSB Social Development

1.5.1 Social Considerations

(1) Basic Considerations

"Thailand Vision 2020" and the 8th Economic and Social Development Plan put heavy emphasis on the social policy concerns in future development. "Socially-oriented" development planning is a challenging new approach adopted for the development of Thailand. It should be recognized, however, that since social policy in Thailand is largely a national concern, it will limit what can be done within a regional development plan. As mentioned earlier, micro-management of social policy at the regional or local level is neither feasible nor desirable. It is impractical to believe that a purely social plan can be implemented for the WSB region. The best that regional-level planning can do is to create a favorable social environment within which individuals are left free to pursue their own social objectives, subject to constraints relating to the social costs of their actions.

With such a recognition, the regional development plan will not specify "social targets." The socially-oriented regional plan, however, will address social policy related to how to minimize (or equitably distribute) social costs and how to maximize (and distribute) social benefits from development. In other words, the socially-oriented development plan will be directed to address dual objectives: income (or output) and social amenities (family values, health, income distribution, etc.). Policy and programs for social development should be selected to create a socially acceptable living area, while

attempting to minimize the associated social costs inherent in economic development, or at least equitably distribute social costs.

In promoting the social development of the WSB, the primary focus of social policy is distribution, as opposed to allocation, as most social development programs in practice mix more than one functions. As stated earlier, human capital investments such as education and health are made partially to improve the distribution of income opportunities but they are also undertaken to increase economic growth prospects. Development programs and projects should therefore be directed to provide socially equitable access to services and amenities while attaining economic targets/policies to produce goods and services for the regional development.

WSB residents recognize that significant changes have been attained in the past decades, socially and economically. Major changes, pointed out through the social perceptions interview survey, include improvement of public utilities and economic development. However, the survey suggests growing concerns about the social costs of development in the region, such as increases in land prices, the influx of immigrants, and degradation of environment. The social development of the WSB region should be oriented towards striking a balance between material progress and social concerns.

(2) Social Services and Their Constraints

The WSB at present is a rather ordinary sort of region as compared with national averages measured by some social indicators. However, in the light of distribution of income opportunities and in view of the extent of human capital investments in social amenities, the WSB region still faces considerable constraints in achieving balanced regional development. To formulate the objectives and strategies for the WSB social development, some salient features of the social situation are cited below.

(i) The WSB region appears to have an adequate number of health facilities in total, though population per hospital bed is slightly below the national average. However, the WSB has only slightly more than one-half of the number of physicians per population at the national average (1:7,440 in the WSB and 1:4,300 in the Kingdom) and has over eight times the population per physician as does Bangkok area (1:915 in Bangkok).

(ii) The educational level of employed persons is low in the WSB region. About 60 per cent of those employed in the WSB have completed only lower

elementary education (six years or less), compared with a national average of 54 per cent. Conversely, the WSB employees are under-represented in university-level education (2.8 per cent in the WSB vs. 5.1 per cent in the Kingdom). These differences reflect the fact that there are relatively few facilities of higher learning in the WSB region.

(iii) In both public health and education, there is an apparent "brain-drain" from the public sector to the private sector. For instance, teachers are being hired away from public schools by private industries. Physicians in public hospitals are leaving to private clinics due mainly to the relatively low medical salaries in the public sector.

(iv) Household incomes in the WSB are relatively low, and more than 50 percent of households are earning less than 5,000 Baht per month. The household income and expenditures indicate that little saving is practiced in most households.

(v) Illiteracy rates among females are double those for males. Industrial and occupational segregation of women has resulted in women's earnings being about 20 percent lower than those for men.

These features lead to the conclusion that the social services and their constraints in the WSB region can be summarized as follows:

(a) The social constraints of the WSB region at present are "quality," rather than quantity, of the social services. To attain balanced regional development and to deal with industrialization in the region, upgrading of quality in education, health, and other social services is of vital importance.

(b) The WSB region should be structured with sufficient social amenities to keep residents in place. It is generally known that young persons seeking higher education and job opportunities often migrate to the BMA or elsewhere in the country.

(c) Coordination between the public sector and the private sector should be promoted in the WSB region. For instance, skill development will be largely provided on the job so that the private sector will have to take the lead, while the

public sector can effectively assist in the process by developing measures for testing and certification.

Another crucial constraint to be addressed in the WSB regional development is the shortage of labor. The labor scarcity has three important implications: first, the need to substitute capital for labor (mechanization); second, likely growing pressures for immigration; and third, the need to increase women's participation in employment. In all cases, there is a strong need for skill upgrading for the work force. The most important requirement is a strong educational base -- a base which will permit workers to know how to solve problems and to learn on their own. Specific skills are best imparted on the job. Unfortunately, neither the educational nor training systems currently meet this requirement adequately.

Foreign migrant labor has additional social dimensions. It tends to increase social costs in the forms of higher incidence of certain diseases (e.g., HIV), higher medical costs, and some human and social frictions. It also tends to suppress wage levels and to increase pressure on existing social services and facilities.

Another constraint on regional development is that the residents and local administrators are not aware of the "social orientation" of the 8th Plan, though a bottom-up approach has been taken for the first time in the economic and social development planning of the country. Also many local administrators are currently unaware of the "Thailand Vision 2020". As the 8th Plan and the Vision are emphasizing, the residents and local administrators have to be positioned in the center of development. Further, it is also observed that in local administration there was not much consideration of assisting or supporting local residents or businesses in trying to improve local conditions. This is partly attributable to the fact that most local authorities are appointed by the central government and many of the civil servants appear to view their jobs primarily in terms of administrative control, attempting to respond to the requirements of central authorities. Administrative restructuring, including promotion of decentralization, will be required for social development as well.

1.5.2 Objectives and Strategies for WSB Social Development

(1) Objectives for WSB Social Development

Objectives for WSB social development have been established to attain the vision following the social development scenario presented in Section 1.4. The scenario for WSB social development would see the increasing number of in-migrants in a positive way as providing a wider range of opportunities for socio-cultural and human development, rather than as causing human and social frictions. Social services and amenities in the WSB region should be improved to support more dynamic interactions between peoples of different backgrounds, both original inhabitants and new in-migrants included. Thus the first objective of the WSB social development may be expressed as follows:

- (i) To enhance levels of social services and amenities not only for local people but also for in-migrants and BMA residents**

The WSB social development scenario would be realized by a holistic approach, which would ensure the provision of opportunities for all the related activities involved in realizing social and human development. The holistic approach, if carefully pursued, would allow cost-effective use of resources, thus putting the least pressure on the environment. The second objective expresses this aspect of WSB social development in the following way:

- (ii) To contribute to improving the living environment of the WSB region in a holistic way through the provision of opportunities for all the related activities involved in social and human development**

The WSB social development scenario would be supported also by a flexible system for development planning and administration involving local people/communities. The local people would be empowered through their involvement in the planning and implementation processes of various development activities. Representing this aspect, the third objective of WSB social development is expressed as follows:

- (iii) To empower local people by improving access to and diversifying opportunities for various socio-economic activities and promoting a participatory approach to planning and implementation of social development through Tambon Administrative Organizations (TAOs) in particular.**

(2) Strategy for WSB Social Development

The attainment of the WSB social development objectives will be supported not only by improved social services but also by economic development. In addition, a holistic approach would be adopted for social and human development encompassing all the related socio-economic activities described in Section 1.4. This approach would contribute also to minimizing environmental costs. Active involvement of the private sector is another condition to improve social services with limited public sector resources. Still another factor is local participation in line with the recent decentralization. A strategy for WSB social development is presented below covering the following aspects: (a) economic development, (b) holistic approach, (c) private sector involvement, and (d) local participation with decentralization.

(i) Economic development for social development

In general, social development should keep pace with economic development. Particularly in the WSB region, job and wage opportunities available largely determine the social structure, and low incomes are at the root of most social problems. The types of jobs to be made available in the WSB region will determine not only the macroeconomic environment in the region but also the types and intensity of social problems faced by individuals. Thus, balanced socio-economic development would be particularly important for WSB regional development.

Such a consideration is particularly relevant to gender-related issues. The WSB regional development will create more serious labor shortages, and employment opportunities for women will increase. This should be taken in a positive way from a social development point of view. Increased participation of women in the labour force is not only a necessary condition for the WSB growth scenarios, but more importantly an essential part of the WSB social development.

(ii) Holistic approach to social development

As described in Section 1.4, a holistic approach would ensure that opportunities would be available for all the inter-related activities contributing to social and human development. It would support interactions of related activities to realize more than the sum of effects by all the activities. The holistic approach represents cost-effective use of

resources, contributing also to minimizing environmental problems --- one of the major social costs.

(iii) Active private sector involvement in social services

A number of resources in the private (non-government) sector may be used to address social problems; e.g. private hospitals, private schools, private foundations, private businesses, and best of all, private citizens. A number of ideas are conceivable. For instance, (i) the private sector could form partnerships with local community college utilizing the Skills Development Fund, (ii) a community college could work with an NGO to develop a plan for environmental protection, (iii) through credit-unions, local residents could contribute to a fund to take care of poor families in rural areas, (iv) sister schools could be created within the WSB and some foreign countries through the Internet, and (v) the provincial chambers of commerce and provincial industrial councils could cooperate with higher educational institutions in the WSB in skill training of the workforce.

(iv) Local participation with decentralization

Decentralization of decision authority from national to regional/local levels is desirable on grounds of increasing the general efficiency of governance and promoting social sector development. "Empowerment of the people", which is one of the key targets of the 8th Plan, is not really possible without decentralization. An attempt could be made to carry out a controlled experiment in decentralization for implementation of the WSB regional development. Thai people are known as highly adaptable, and they would adjust themselves to the decentralization. However, shifts in authority to local levels can create special problems. Corruption, in particular, seems discernibly prevalent in local areas and countersteps should be taken to prevent such a social cost. It should be emphasized that decentralization of decision making from national to regional or local levels requires considerable time and effort in preparing the people involved. It is therefore imperative to organize some training for the concerned people to thoroughly understand the concept and procedures of decentralization.

Along with decentralization, community participation should be promoted in the provision of various social services. For instance, community participation in primary health care can be readily increased. As another example, a community college may work with an NGO to develop a plan for environmental protection.

1.6 Key Measures for WSB Social Development

1.6.1 Monitoring

The WSB development will involve significant changes in various aspects of the society as indicated in Section 1.4. The main policy concern is naturally how to maximize positive effects of the changes and minimize negative ones. The holistic approach, recommended for WSB development, would try to maximize complex effects of various changes as a whole. In other words, the holistic approach, if carefully pursued, would lead to the attainment of higher levels of social and human development at the least cost, as it supports interactions of related elements to realize more than the sum of all the elements. For the holistic approach to be effective, however, it would have to be taken together with a monitoring system. In other words, the holistic approach is to implement various measures selectively and with caution, while monitoring their effects and constantly adjusting the implementation.

Reforms within the WSB region should be implemented slowly and resulting social changes monitored with regularity, as presented in Appendix II. To maximize the degree of policy understanding and learning within the implementation process, the use of "controlled experimentation" is recommended.

1.6.2 Social Partnership

A prerequisite to implementing the proposed holistic approach and monitoring system is further decentralization of development administration. This, in turn, is subject to strengthening of the financial base at the local level. One way to expand the local financial resources would be to encourage direct contributions by local residents and businesses to finance local projects. For example, collections could be taken up by local foundations or wats to finance new equipment, facilities, or textbooks for a local school, or to cover hospital fees for the socially deprived. Participatory development tied to financing is another innovation to be experimented with in the WSB region.

Another key is to expand the role of the private business sector and residents in the provision of social services at the local level. The objective would be, to the extent feasible, to privatize the social service sector through: citizen oversight boards (or representation on existing boards, such as environmental control boards), direct private-sector contributions (e.g., "adopt-a-school" or a hospital), subcontracting from

the national Government to local service providers, or to non-governmental organizations. Private foundations will have to be given expanded responsibilities as well.

Chapter 2 EDUCATION AND SKILL DEVELOPMENT

2.1 PRESENT CONDITIONS OF EDUCATION AND SKILL DEVELOPMENT

2.1.1 Education

(1) Problems with Thailand's Education System

There are a great number of problems with the educational system in Thailand. They have been well documented and discussed. Among the more important are the following:

Low transition rates

An exceedingly low rate of transition from grade six to higher levels of education is observed. According to one source, the transition rate beyond grade six was less than 40 per cent five years ago. Last year, it was said to be above 90 per cent. Still, the work force does not yet have high levels of education. In 1994, 54.3 per cent of the employed population had six years of education or less.

Within the provinces of the WSB, 60 per cent of those employed in 1994 had less than a seventh grade education (Table 2.2.1). Improvements in the level of educational attainment have been occasioned by expanding primary facilities (especially in rural areas) to include higher levels of schooling. The Parliament is considering a proposal to increase the level of basic (compulsory) education from six to nine years. It will, however, take some years for these improvements/proposals to translate into significant improvements in human capital among job seekers.

Need for improvements in teachers

There is an apparent "brain-drain" among teachers who are being hired away from schools by private industry. This is a natural consequence of skill scarcity and will eventually have to be addressed through improved compensation systems and career-development paths. Some form of performance-based compensation might be considered as an option for upgrading the quality of teachers. The government is considering options to address this problem. In March, 1996, the cabinet approved in principle the allocation of 5 per cent of teacher salaries (which amounts to approximately

5 billion Baht) to support programs for upgrading teachers at training institutes and in other ways. The coordinating agency for this effort is the National Education Commission, although the project director is not someone with a teaching background. A similar center (but smaller in scale) could be established in the WSB. The problem of competence may be more applicable for Department of Vocational Education teachers, as well as instructors in the Department of Skill Development programs.

Students' orientation for degrees

As a general matter, Thai students seem far more concerned with the credentials they receive than with what they acquire in the classroom, a phenomenon known as "credentialism." It will likely persist as long as labor markets reward degrees over practical knowledge. The expansion of non-formal education is a welcome alternative to current practice, although it is true that many young people choose not to pursue this alternative and many others are not even aware of it. As the majority of the work force in the WSB still have only a primary school education or less, careful design of non-formal education, with strong input from local labor market analysts, is necessary.

Gender bias

Women tend to track through the educational system differently than men as in most other countries. Illiteracy rates among females are double those for men, and there appears to be a traditional disinclination among females to pursue science and mathematics. Industrial and occupational segregation of women has resulted in women's earnings being around 20 per cent lower than those for men¹.

Inadequate curricula

There is a dearth of school completors in the scientific, technical, and management fields. The Ministry of Education is well aware of this problem and is actively working on it at the university level and with its vocational education programs. A particularly important potential source of this sort of graduate is women. A rather large World Bank loan (\$112 million) to the education sector (mainly, secondary and technical education) will attempt to address the problem. To achieve the objective of increasing scientific skills among graduates, complementary steps will likely be required: science museums, science exhibition centers, scholarships, etc. These ancillary activities could be promoted in the WSB.

¹Nisa Xuto, Dhipavadee Meksawan, and Maria Corrcia, *Baseline Study, Women in Human Resource Development in Thailand*, The Canadian HRD Project, Bangkok, March 1994.

Inadequate teaching methods

Teaching methods are felt to be antiquated, based upon rote-lecture methods in place of problem-solving techniques. This makes the transition from school to work difficult for school completors as well as for their eventual employers. Future labor market requirements will place less emphasis on *what* is known and more on *how* to learn to confront and resolve new problems. Thailand has already made the transition from a subsistence to a monetary economy, and is well on its way to upgrading to higher forms of technology. The next step will require an improvement of the skills of the work force to support the new technology which will inevitably be introduced, and a generally flexible work force to adapt to rapidly changing international market conditions. This, in turn, will require input from the local labor market. Continued reliance on the government budget is not likely sustainable, due to lack of funds and accountability.

Administrative problem

An additional problem that applies to educational systems at the provincial level concerns unclear lines of authority. School teachers fall under the general authority of the Ministry of Education. Certain personnel decisions, however, can be taken by the Governor's Office, meaning that the Ministry of the Interior is also involved in the educational system. This sort of dual authority makes it difficult for local staff to know which policies they are supposed to be implementing.

(2) Problems with Skill Development

There are a number of sources of training for the work force or job seekers. In addition to the programs offered by the Departments of Vocational and Non-Formal Education (Ministry of Education), both the Ministry of the Interior and the Ministry of Labor and Social Welfare offer training for first-job entry or skill upgrading for the employed. Ministry of Industry programs are generally run in partnership with the private sector, and are generally known, at least to members of industry. Programs under the Department of Skills Development (DSD) are less well known among the general population, and the same holds for the WSB population.

Currently, DSD operates a regional training institute in Ratchaburi, but an ambitious five-year plan calls for the construction of training centers in each province in the Kingdom. For example, it is planned to offer a program of naval training navigation in Chumphon starting in 1997. From the perspective of enhancement of productivity, there are a number of problems with the DSD approach. It is decidedly equity-oriented, in the sense that the target population for these programs is young people who have not been

able to advance through the regular educational system (and thus those least likely able to benefit from training). It has a serious problems maintaining up-to-date equipment (and still offers training in construction when young people say they want computer training).

Most importantly, DSD is losing instructors to private industry because of uncompetitive salaries. Moreover, at least up to now, DSD programs have been run in isolation from private-sector employers, which is not particularly surprising in view of the Ministry of Labor and Social Welfare's primary function as a regulator. Finally, DSD follows a "top-down" approach to program structure, which is at odds with the objectives of the 8th Plan.

(3) Existing Condition of Education in the WSB

As mentioned, the above-cited problems are under active discussion at the level of national policy. All of the problems apply equally to the WSB. Most of this discussion relates to students or school leavers, i.e., the rather young. This leaves a rather important gap concerning adults and adult (recurrent) education. From international studies, it is well known that on-the-job training for employed adults is the most economical and effective sort of training. Moreover, it is simply logical to expect that skill upgrading of the existing labor force will have a more immediate impact on national (or regional) productivity than will job preparation for first-job seekers.

Data on schools and other educational institutions in the WSB and the whole Kingdom are provided in Table 2.2.2. Also included are estimates of numbers of students, classes, and instructors. There are two important messages contained in the data. First, the educational structure is pluralistic, in the sense that there are many different sources of and types of school. Second, the distribution of resources (lacking in terms of capital and recurrent expenditures) appears to be generally in favor of the WSB region: the reported number of students in the WSB is about 5 per cent of the national total (in line with its population share), but the area contains 5.7 per cent of the total school facilities in the Kingdom, and 6.1 per cent of the teachers.

The educational problems in the WSB are not quantitative, but qualitative: teachers can be found, but they are not especially committed, nor are they especially qualified. Very often, teaching vacancies are filled from the pool of recent graduates, few of whom have undertaken any pedagogical courses, and none of whom have any experience in the

world of work. Standards have to be adjusted downward to permit unfilled vacancies to be filled.¹

2.1.2 Labor Force and Employment

Table 2.2.3 provides data on the 1994 labor force, including population of working age, and labor force participation rates, by gender. Labor force participation rates range from a low of 67.5 per cent in Samut Songkhram to a high of 75.6 per cent in Kanchanaburi. Taken as a whole, labor force participation rates in the WSB region are higher than the national average, as well as the rates in Bangkok, and areas outside the BMA. This may be due to the high degree of employment in agriculture in the area. Relatively low (by international standards) unemployment rates are noted: except for Samut Songkhram, which recorded a 3.5 per cent unemployment rate, all the rest of the provinces in the Study Area had rates of less than 2 per cent, well below the national average and below the average for areas outside the BMA.

Table 2.2.4 shows the distribution of employment by industry in 1994 for the provinces of the WSB, the Kingdom, Bangkok, and the rest of Thailand. Unfortunately, 1994 is the first (and only) year in which the Labor Force Survey was carried out at the provincial level, so there is no possibility of carrying out time-series analyses of labor market indicators, nor of making projections. There is little of interest in these distributions: a slightly higher proportion of employment in the WSB is in agriculture/fisheries than is true for the Kingdom as a whole (50.9 per cent versus 50.3 per cent), but also, a greater proportion is employed in manufacturing than is true for the national average (14.6 per cent compared with 13.9 per cent). Few of the observed differences would be considered significantly different from zero, nor are the distributions, taken as a whole, statistically different from one another.

Table 2.2.5 indicates the occupational distributions of employment for the WSB and the Kingdom. The relative numbers of professional, technical, and related workers are different (3.5 per cent for WSB, 4.7 per cent for the Kingdom), although when the BMA is excluded from the comparisons, differences are seen to be less pronounced. Only the proportions of agricultural workers (farmers, fishermen, hunters, loggers, and related

¹ As one administrator in Prachuap Khirikhan put it, "It doesn't really make much sense to consider building new school facilities in this area, since we have such a difficult time attracting quality teachers. The good ones want to stay around Bangkok, where salary supplements are available through consulting, or part-time work in private schools."

workers) are different between the WSB and the rest of the Kingdom, excluding Bangkok (50.9 per cent versus 56.4 per cent), and in this instance, the WSB is seen to have a relatively low proportion of employment in agriculture.

Table 2.2.1 provides information on the educational levels of employed persons in the WSB, the Kingdom, Bangkok, and non-Bangkok. Here, differences between the WSB and the rest of the country are more pronounced; fully 60 per cent of those employed in the study area had only completed lower elementary education, compared with 54.4 per cent in the Kingdom as a whole, or 56.9 per cent for areas outside of Bangkok. Conversely, the employed in the WSB are under-represented in university-level education (2.8 per cent versus 5.1 per cent for the Kingdom or 3.4 per cent for areas outside of Bangkok). In part, these differences reflect the fact that there are relatively few facilities of higher learning in the WSB. It is generally known that young persons seeking higher education often migrate to more prestigious schools in Bangkok or elsewhere in the country.

2.1.3 Reforms Currently under Consideration

In the field of education, there are at least seven reforms currently being discussed: (i) experimental schools, (ii) curriculum revision with emphasis on science and engineering, (iii) teacher retraining, (iv) raising years of compulsory school attendance to nine (from current six), (v) reform of entrance examinations to upper secondary school and university, (vi) vouchers or loans for the poor to enable them to attend secondary schools and colleges, and (vii) a World Bank loan to improve science and technology programs at the provincial level.

Under the "experimental school" concept, four to five schools (usually primary schools) in each of the provinces would be selected and asked to introduce five reforms: to improve the physical environment, to improve the library, to create sound-lab facilities (for teaching of foreign languages), to buy computers, and to retrain teachers in teaching methods. Each of the experimental schools will be given a budget increase of 1.5 million Baht help finance the reforms. To insure that the results of reforms can be measured accurately, it is suggested that records be kept on educational progress not only within the experimental schools, but also in a set of control schools as well.

The idea of retraining teachers in alternative pedagogic methods is appealing, especially since current teaching methods have come under such criticism. One must be concerned

about the possibility of "the blind leading the blind" in this instance; in other words, the effectiveness of retraining will depend upon the content of the training and who provides it. It is hoped that retraining will incorporate a heavy dose of problem-solving techniques and methodology, but effective training in these matters may require a shift of philosophical approach as much as classroom workshops.

Increasing the effective age for compulsory education is a necessary step for Thailand, but it will put serious strains on already overworked teachers. There is also a question of timing: Will the age cut-off be raised before or after teachers have been retrained? An ancillary attempt to increase transition rates to secondary schooling has involved expanding primary school facilities to add lower secondary grades, an approach that seems to be particularly effective in rural areas.

The World Bank is about to make a significant loan to the Thai educational system (\$112 million), with emphasis on primary and secondary education at the local level. The loan will place high priority on the improvement of science and technology education, in line with government priorities. It has already been given approval by the Parliament. On the other hand, OECF loans have been extended to the Department of Vocational Education and various education/training programs are currently implemented.

2.2 *Issues and Needs for Education and Skill Development in the WSB*

It is generally conceded that industrialization, even of the modest sort, implies an upgrading of the skill and educational base of the population. Simulations show that, given the limited labor force in the area, productivity must be raised in order to be consistent with growth targets. Growth increases incomes which can then be used to finance personal human capital investments. More importantly, higher-order technology requires skills for management and operation.

As a point of reference, consideration may be given to the occupational distribution of the employed in Malaysia in 1993. In that year, Malaysia's GDP per capita was the equivalent of \$3033, which is the level that is projected to be reached in the WSB region around the year 2003. In 1993, professional, technical and related workers accounted for over 8 per cent of total employment in Malaysia. In 1994, this occupational category comprised only 3.5 per cent of total employment in the WSB. Clearly, significant skill

upgrading as well as more effective utilization of existing skills will be required to accommodate planned investment in the area.

More important than skills, however, is worker performance. Increasing productivity among the existing work force is clearly a more immediate priority than is training for new recruits. Worker performance is inexorably linked to management -- both the quality of managers and the management techniques they employ. The kinds of personnel-management approaches which were successful in earlier years of general labor redundancy are not likely to be appropriate for situations of labor scarcity. Certainly, recruitment and compensation policy will become higher priorities for managers. Less obviously, but no less importantly, will be matters of working conditions, employee benefits, labor relations, and worker morale. These are crucially important determinants of productivity, but far too often overlooked by managers.

As for skill development in the WSB region, a number of circumstances suggest that it will largely be provided on the job, so that the private sector will have to take the lead in skills provision. The public sector can effectively assist in the process by developing measures for testing and certification. Almost by definition, the planned development in the WSB will involve high-technology activities, whether in industry or services. This means that much of what is to be learned can only be learned on the job. A sound education/training system can prepare job seekers how to learn efficiently on the job. The current system, however, is apparently deficient in terms of imparting "learning" or "problem-solving" skills.

In certain fortuitous instances, economic imperatives combine with social equity objectives to generate what would be considered a positive outcome on both counts. Conditions of general labor scarcity in the WSB strongly suggest that employment opportunities for women will be increased, which will be a positive step for the objective of increasing women's participation in development. Without an increase in women's participation in employment, the growth targets set for the WSB development will be difficult to achieve. As it turns out, employers who have experience with female workers generally give them high marks, particularly in terms of trainability.

2.3 Measures for Education and Skill Development in the WSB

2.3.1 Experimental Schools and Curriculum Revision

As clarified in the vision presented in Section 1.4, the WSB regional development should make a precedent of the socially oriented and human centered development advocated by the 8th Plan and the Thailand Vision 2020. Therefore, the education reforms currently under consideration at the national level should be introduced first in the WSB region. In particular, experimental schools should be established either newly or capitalizing on existing schools and curriculum revision undertaken with emphasis on science and engineering.

Four experimental schools should be established in the WSB in the near future: two high-technology secondary schools and two universities. The reason for starting with secondary schools is because that is where the drop-out problem now starts. Students who migrate to Bangkok often do so during their secondary school years. The need for one or more first-rate universities in the WSB is rather evident, although it should be noted that a number of private international universities are currently negotiating with local authorities and land owners. A general objective of establishing these schools would be to upgrade science/technology teaching and management skills in the WSB.

All four schools may be funded by the government but operated as non-bureaucratic institutions. They should have full freedom in initiating educational innovations to suit the needs and problems of the region. All would require entrance examinations for applicants. All four would have residential facilities (dormitories), so that they could draw from a broad (geographic) range of applicants. These would be elite institutions, with strong linkages with private-sector labor markets. There would be a separate program for computer studies in both the secondary schools and the universities, but all students would be required to be computer literate, and all facilities would be well equipped with state-of-the-art computer configurations. Foreign professors would be invited as guest lecturers, so language requirements would be high. Tuition would be paid by students or their families, but there would be significant funding for scholarships for lower-income students.

Curriculum would conform with or exceed standards set by the Ministry of Education or the Ministry of University Affairs. Efforts would be made to place students in private-sector jobs during vacation periods (as a sort of work/study program). Consideration

could be given to establishing a College of Hotel Management within the university. Southeast Asia does not yet have a first-rate school of hotel management.

2.3.2 Expansion of Adult Education

The Department of Non-Formal Education provides programs relating to adult education and even runs some programs of vocational training for the employed, in connection with the Ministry of Industries. It would appear that these sorts of programs merit considerable expansion, on both productivity and general education grounds. Western countries have had considerable success with community colleges strongly linked to private industry -- for example, nursing students may intern in a nearby hospital. Some such schools have joint projects with private industry.

An expansion of adult (recurrent, or life-long) education is one way to rectify previous shortcomings of the current education system, extending a second chance to those who might have not been able to advance sufficiently far through the "standard" system due to financial or related circumstances. This would be very much in line with the 8th Plan's emphasis on "human values." Cost-effectiveness considerations would favor marginal improvements in education for large groups of workers over even significant increases for relatively few. Adult (recurrent) education is an excellent way to improve life skills among the general population, contributing to such implicit Plan objectives as improvements in pre-natal care, family budgets, foreign languages, culture and history, "life-coping" skills, and ethics. It is important to emphasize here that the quality of programs is more important than the quantity of programs. It is therefore necessary to upgrade both the quality of the non-formal education programs and the management of the Non-Formal Education Centers in the Region.

2.3.3 Industry-Based Training

It has been mentioned that the Department of Skills Development is planning to add a number of skill-training centers in the WSB, and that the government has recently contributed 200 million Baht for the creation of a Skills Development Fund under the authority of the Department of Skills Development. It is proposed to supplement the first activity and to utilize the second to test a form of privately controlled skill development. This would consist of the construction of a training facility in or around one or more of the industrial estates proposed by the Master Plan.

The objective would be to try to provide skill-upgrading for workers employed in the industries of the WSB. Training would be industry-based but for certain generic skills (such as electronics or robotics), craft-level training would be provided. The Skills Development Fund would be utilized to reimburse training costs for employers whose workers passed a generally agreed competency-based examination. The training facility could only be used sporadically, as workers will be needed for production. Special equipment would be provided by employers.

Key components of this proposal are not only facilities and equipment, but more importantly, the following:

- Development of training plans within industry,
- Training audits for firms in the industry to show how skill-upgrading can help improve profitability,
- Introduction of competency-based tests for industry, and
- Possibility of creating a working partnership between the Government and industry, with the synergism of cooperation rather than control.

The key to this proposal is that it would be driven by private-sector employers who would be given lead responsibility for organization and provision of training. The model follows that employed by the Ministry of Industry in other areas of the country (e.g., Lampang Ceramics Center).

For reference, the industrial sector component of this study (refer to Volume 7, Chapter 5.4) estimated that employment in the manufacturing sector of the WSB would increase from 234,800 in 1994 to 372,200 in 2001 and 535,000 in 2011. Out of this estimated manufacturing employment, employment by new industries (excluding employment by the existing industries) would be about 119,800 in 2001 and 250,000 in 2011. It is also estimated that employment in modern sector industries would account for 52 per cent and 57 per cent of employment by the new industries in 2001 and 2011, respectively. These estimates indicate the magnitude of the requirement for the industry-based training in the WSB (Refer to Table 2.2.6).

2.3.4 Expansion of Computer Availability

It has been mentioned that proposed school and research hospitals will require computer linkages to the Internet, so this will necessitate improvements in fiber-optic cables as well as the provision of personal computers. More broadly, a case can be made for the expansion of computer utilization at a number of different levels in the WSB: schools, rural areas (perhaps through local temples), and townships (public libraries would be appropriate outlets in this case).

In the not-to-distant future, it can be expected that computer transmissions will be linked to television/radio, so that the information possibilities will expand exponentially. To prepare for these developments, some steps can be taken more or less immediately. First, as mentioned, fiber-optic cables will have to be installed and linked to satellite transmissions. Second, computer literacy will have to be expanded among local populations. Third, personal computers have to be made more available. However, it should be noted that the existing computers in Thailand are in most cases under-utilized. They are mostly used for word-processing. It must be emphasized that the full utilization of computers should be constantly promoted.

2.3.5 Promotion of Social Partnership

As described in Section 1.6, a key measure for the WSB social development is to promote social partnership in the provision of various social services. Incentive measures such as tax rebates may be introduced to encourage private business and local residents to cooperate with local governments and communities in providing a wide range of social services including cultural and sports activities. The following just illustrate some possible activities.

- With use of money from the recently established Skills Development Fund, the private sector could form partnerships with local universities or community colleges for: English-language training for company executives, or the development of marketing plans to assist in the export of local products.
- With funding from local businesses, local residents could construct an outdoor pavilion for musical concerts or dance performances during the dry season.

- Local residents could contribute to a fund to take care of poor families in rural areas.
- Foreign investors could contribute computers to local wats (temples) in rural areas for use by farmers and other residents.
- Local businesses could provide funds for mini-Olympics in the provinces of the WSB region.
- Sister schools could be created within the WSB and some foreign countries, and students could exchange information through the Internet.
- A community college could work with a non-governmental organization to develop a plan for environmental protection.
- With funding from private contributions, some local educational institution could set out devices to measure air quality near factories or in urban areas.

