ANALYSIS AND EVALUATION OF THE NATIONAL ECONOMIC DEVELOPMENT PLANS OF THAILAND, 1961-71, FROM A COMPARATIVE REGIONAL-URBAN DEVELOPMENT PERSPECTIVE

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ABSTRACT

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In many developing nations, there has been a need for a national economic development plan with an explicit goal. However, urban and regional development planning, as a geographic spatial dimension, is often neglected by national planning agencies. Therefore, decisions are made on how much of a scarce resource should be allocated to a given purpose only on the basis of sectoral planning, without a spatial point of view as to where investments should take place. This method of decision making has been increasingly criticized for its irrelevance in an equitable distribution of benefits of economic development.

A similar pattern of economic development planning exists in Thailand with its centralized government system.

There is growing evidence that such development planning tends to create imbalanced patterns between the Greater Bangkok Metropolis (GBM) and the other four regions (Northern, Northeastern, Central, and Southern) in terms of developmental investment, structure of economic production, labor productivity, and benefits of economic growth distribution. This results in many social, economic, and physical problems, as well as in problems with natural resources and ecosystems.

In order to prove this hypothesis regarding spatial distribution of economic development in Thailand, this dissertation focuses on comparative measurements and evaluation of the past two national economic development plans of the periods 1961-66 and 1967-71, with provided integrated development components. A simple procedure for measurement and analysis is applied with the aid of some essential quantitative data as well as with qualitative information.

The results of measurement and analysis show that the failure of economic development in Thailand is due to its highly centralized government system and to the lack of integration of regional urban development into national economic development planning. These tend to support the stated hypothesis.

Recommendations for integrated national economic and regional urban development strategies and for a decentralized government system are offered for correcting

inequalities of economic development distribution and other related problems. These recommendations would lead to efficient economic development planning in Thailand at all levels of government, improving regional urban economies and bringing about equity of economic growth and income distribution throughout the country.

To my parents, brothers,

and sisters

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CHAPTER I

INTRODUCTION

Historical Development and General Characteristics of Thailand

The historical development of Thailand is characterized by independence as well as by frequent migration and warfare since 650 A.D. It has also been a story of borrowing civilizations from its neighbors and from European countries and integrating them into its own system.

Contemporary Thailand lies between the parallels 5° and 21° N latitude and between the meridians of 97° and 106° E longitude. It has a total area of about 200,000 square miles. The country is bounded on the north by upper Burma and northern Laos; on the east and northeast by central and lower Laos and by Cambodia; on the west by central and lower Burma; and the extreme south by Malaysia. Its long coast lines are flanked on the southeast and eastern peninsula by the Gulf of Thailand, and on the western side of the peninsula by the Andaman Sea (see Figure 1.1).

The geographic characteristics are represented by regionally varied landscapes with forested mountains, with

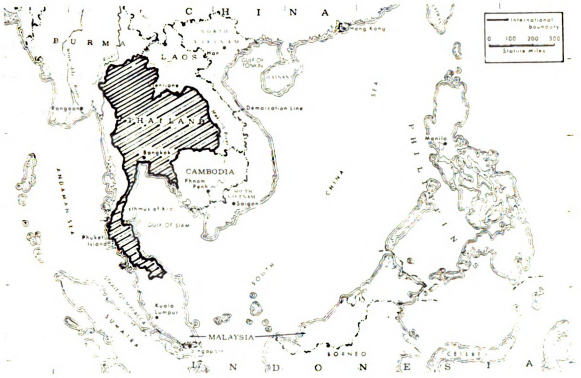


Figure 1.1--Position of Thailand in Southeast Asia

Source: G. L. Harris, Area Handbook for Thailand (Washington, D.C.: U.S. Government Printing Office, 1968), p. xvi.

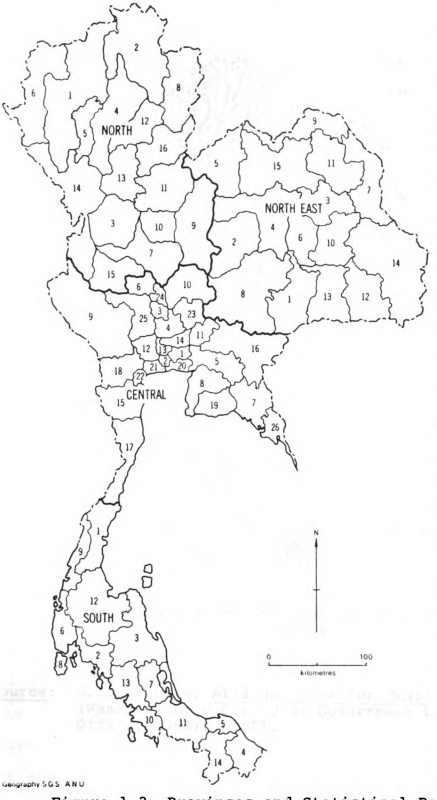
relatively dry plateaus, and with fertile river plains. The climate is monsoonal with a pronounced rainy season from May to the end of September and a dry season for the rest of the year. However, there is a considerable local variation in the amount and seasonal pattern of rainfall. It is coolest in December and January and hottest in April. The daily range of temperatures may also be relatively varied among local areas within the country.

Thailand is administratively divided into 71 provinces, and these provinces are grouped into four regions: the Northern, Northeastern, Southern, and Central regions. The capital of Thailand, the Greater Bangkok Metropolis (GBM or Bangkok and Thon-Buri Municipalities),* is located in the Central region near the Gulf of Thailand. These regions are, however, distinctively characterized by natural features and ecosystems (see Figures 1.2 and 1.3).

The Northern region contains 16 provinces and covers about 65,900 square miles. The Northeastern region is composed of 15 provinces. It is the largest region, with approximately 66,000 square miles. The Southern region is the smallest geographic area of the country, with only 29,000 square miles. It is comprised of 14 provinces. Finally, the Central region has an area of about 39,100 square miles, but it contains 26 provinces.

---

*Hereafter the Greater Bangkok Metropolis will be referred to as the GBM.



NORTHERN REGION
1 Chiang Mai
2 Chiang Rai
3 Kamphaeng Phet
4 Lampang
5 Lamphun
6 Mae Hong Son
7 Nakhon Sawan
8 Nan
9 Phetchabun
10 Phichit
11 Phitsanulok
12 Phrae
13 Sukhothai
14 Tak
15 Uthai Thani
16 Uttaradit

NORTHEASTERN REGION
1 Buri Ram
2 Chayaphum
3 Kalasin
4 Khon Kaen
5 Loei
6 Maha Sarakham
7 Nakhon Phanom
8 Nakhon Ratchasima
9 Nong Khai
10 Roi Et
11 Sakon Nakhon
12 Si Sa Ket
13 Surin
14 Ubon Ratchathani
15 Udon Thani

CENTRAL REGION
1 Phra Nakhon
2 Thon Buri
3 Ang Thong
4 Phra Nakhon Si Ayutthaya
5 Chachoengsao
6 Chai Nat
7 Chanthaburi
8 Chon Buri
9 Kanchanaburi
10 Lop Buri
11 Nakhon Nayok
12 Nakhon Pathom
13 Nonthaburi
14 Pathum Thani
15 Phetchaburi
16 Prachin Buri
17 Prachuap Khiri Khan
18 Ratchaburi
19 Rayong
20 Samut Prakan
21 Samut Sakhon
22 Samut Songkhram
23 Saraburi
24 Sing Buri
25 Suphan Buri
26 Trat

SOUTHERN REGION
1 Chumphon
2 Krabi
3 Nakhon Si Thammarat
4 Narathiwat
5 Pattani
6 Phangnga
7 Phatthalung
8 Phuket
9 Ranong
10 Satun
11 Songkhla
12 Surat Thani
13 Trang
14 Yala

Figure 1.2--Provinces and Statistical Regions

Source: E. C. Chapman, Studies of Contemporary Thailand (Canberra: Australian National University Press, 1973), p. 10.

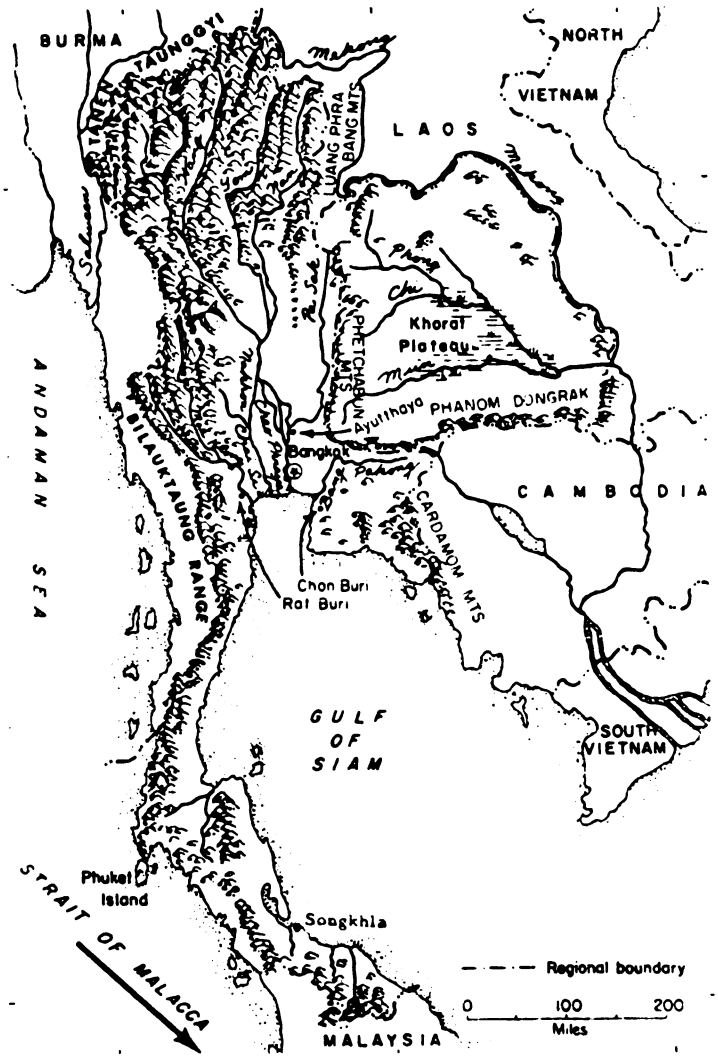


Figure 1.3--Landforms and Drainage in Thailand

Source: G. L. Harris, Area Handbook for Thailand (Washington, D.C.: U.S. Government Printing Office, 1968), p. 21.

According to the 1960 census, the population of Thailand was approximately 26,250,000 persons. By 1970, the population increased to 34,152,000 persons. This made an average growth rate of 2.7 percent per annum over the ten-year period. The population was unequally distributed in different regions of the country. As indicated by the 1970 census, the Northeastern region constituted the largest proportion of the total population, with approximately 12,025,140 persons compared to only 4,271,674 persons in the Southern region. At the same time, the Northern region had about 7,488,683 population, almost equal to that of the Central region, 7,635,222 people. The heaviest concentrations of population are found in the valley of the main rivers, especially in the Chao Phraya Valley of the Central region, and in certain sections along the sea coast of the Gulf of Thailand. These areas contain the cultivated land and rich natural resources of the country (see Figure 1.4).

Regarding the physical settlement pattern in Thailand, approximately 85 percent of the country's population lived in small, long-established hamlets and villages during the period 1960-1970. At the same time, slightly more than 50 percent of the total urban population lived in the GBM; and the remainder lived in small towns scattered throughout the country. In this way, the GBM becomes the center of transportation systems in Thailand.

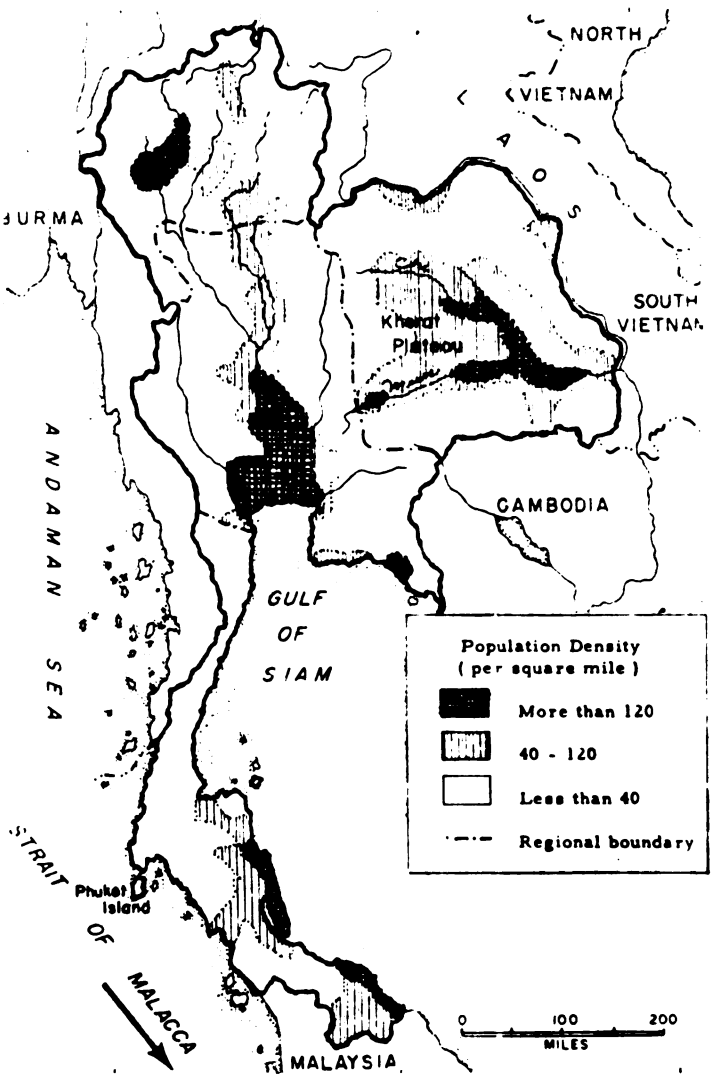


Figure 1.4--Population Density and Distribution of Thailand

Source: G. L. Harris, Area Handbook for Thailand Washington, D.C.: U.S. Government Printing Office, 1968), p. 64.

Waterways, ports and airports, railroads, and highways radiate from the GBM, distributing goods and services to and from the entire country as well as the outside world (see Figure 1.5). In view of irrigation and flood control, the total irrigated land was estimated at approximately 6 million acres by the National Economic Development Board (NEDB) in 1971.[1] However, the most extensive single irrigated area was in the Central region (see Figure 1.6).

In Thailand, the majority of the people use the Thai language as the medium of communication; but there are some differences in dialects among regions. There is a considerable number of the hill tribes, Malay, and Chinese who speak various languages of their own. Generally, they are socially and culturally assimilated with the Thai people. For many centuries the three main threads of Thai culture have been Buddhism, a hierarchical social structure, and the wet cultivation of rice. Rural society is characterized by the absence of a clear class structure and by a relative lack of complexity or formal institutionalization. Wealth, age and sex, education, moral and religious character, and attainments of skill in farming and medicine place people into a degree of respect. In urban society, particularly in the GBM, the social environment is completely different from the rest of Thailand. The GBM is an urban center with an increasingly westernized class-structure society. Wealth, education, political

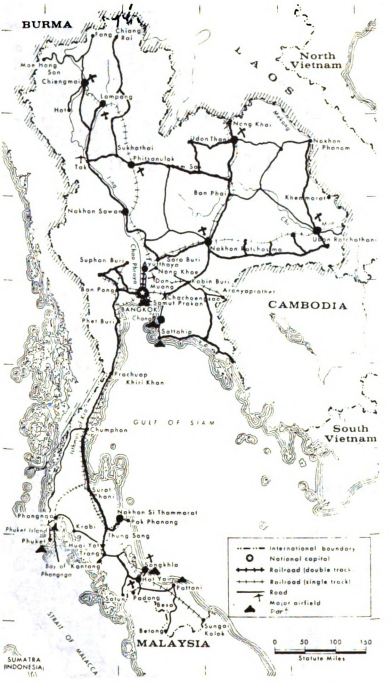


Figure 1.5--Transportation Routes, Ports and Major Airports in Thailand

Source: NEDB, National Economic Development Plan, 1967-1971 (Bangkok: 1968), p. 130.

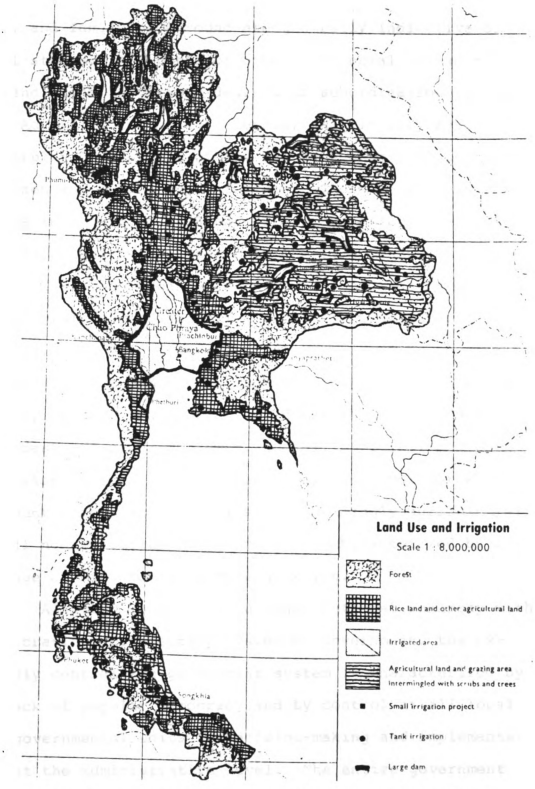


Figure 1.6--Land Use and Irrigation of Thailand

Source: NEDB, National Economic Development Plan, 1967-1971 (Bangkok: 1968), p. 89.

power, and family background are generally indicative of social status. All parts of other provincial areas of Thailand stand in various degrees of subordination to the GBM. According to the 1960 census, the literacy rates of the population 10 years of age and over were 61.8 percent for women and 80.6 percent for men. These comparative figures increased to 70.8 and 88.9 percent for women and men respectively as indicated by the 1970 census.

The economy of the country is predominantly agricultural, while industrialization is slowly being realized. However, industrialization appears to be concentrated in the GBM as the center of commerce, industry, finance, market, transportation, domestic and international trades, and other economic, social, cultural, and political institutions. In the meantime, the labor force of the country as a whole remains overwhelmingly agricultural. A small nonagricultural work force is characterized by its shortage of many forms of modern skills.

Although Thailand is a constitutional monarchy with a democratic parliamentary system of government, the excessivly centralized government system is characterized by the lack of popular democracy and by control at all local self-governmental units in decision-making and implementation at the administrative level. The entire government structure is dominated by political elite who are military bureaucrats and police officers, as well as by some

powerful politicians. These elite govern either constitutionally or nonconstitutionally, in the spirit of arbitrary power, and they expect to enjoy the fruits of power.

Emerging Problems

Thailand has struggled for survival in the contemporary world throughout its long history. The country's cultural, social, political, and economic systems have been affected by internal and external environments, and these have caused changes in Thai society. However, there have been many problems and dilemmas in these changes. In international politics, Thailand has been put into great jeopardy by the guerrilla warfare of Communist agents. They have attempted to stimulate rebellion, and otherwise to promote chaos in Thailand. Thailand has long been suffering from international trade deficits.

The most obvious results of an unbalanced economic growth distribution within the country, especially of the GBM and the other four regions (Northern, Northeastern, Central, and Southern), have caused the increasing disparities in income distribution among them. Most of the benefits of economic development have been concentrated in the GBM, the other four regions have remained poor. These have caused the majority of the people of Thailand, who live in those four regions, to suffer from the rural economic decline, creating very low income with less self-sufficiency and an inadequate standard of living.

Consequently, the massive rural-urban migration has caused the unprecedented and uncontrolled growth of the GBM. This has created many undesirable problems in the GBM, such as slums, congestion, unemployment, crime, disease, and the rapid deterioration of human environment.

Urban and rural problems have been deeply rooted in many factors of economic development in Thailand. An hypothesis for the basic reasons for this state of development is set forth in the following sections.

Statement of Hypothesis

In Thailand, economic development planning has been based on an excessively centralized government system, with great power concentrated in the GBM and a lack of integration of regional urban development into national economic development planning. This centralization disregards the spatial distribution of economic development by:

1. Providing a disproportionate pattern of allocation of capital investments and other resources among different parts of the country so that a great proportion of such allocation is in favor of the GBM
2. Creating very little change in structural transformation of the nonagricultural sectors of economic production in the other four regions
3. Creating a very low agricultural productivity per worker in the regional rural areas because of

high agricultural employment

4. Causing a widening gap of inequalities of economic growth and income distribution in the country in a way in which most benefits of development are accumulated in the GBM.

This four-part hypothesis presents the main problems in the economic development of Thailand.

Need for the Study

The government of Thailand established the National Economic Development Board (NEDB) in 1959 as the national central planning agency for carrying out a sound economic development plan. Thailand adopted two formal national economic development plans during the period 1961-71. The first plan covered the six-year period, 1961-66; and the second plan covered the five-year period, 1967-71. The main objectives of these development plans are discussed in the following section.

Statement of Development Objectives

The primary objective of the development plans is to increase the total per capita output of goods and services. At the same time, this increased output should be equitably distributed so that, to the extent possible, all citizens and not merely a privileged few derive benefits from it. Moreover, these objectives are not confined to the previous two development plans, but extend

into the future for the well-being of generations to come.[2]

Although there was considerable economic growth and change during the past two development plans, inequalities of benefits from economic developmental distribution persistently prevailed between the GBM and the four regions, including other consequential problems. The fact was that the economic development planning lacked an adequate conceptual framework. The integration of regional urban development and national economic development planning never existed, in a spatial dimension, for allocation of capital investments on the basis of comparative advantages of locations. Priorities of development projects were not provided for linkage of plan formulation and implementation that would relate to established targets. In addition, the coordination of planning and implementation, at all levels of government, was not adequately provided for by the central government.

It is not surprising that such development planning resulted in inefficient and wasteful efforts. If correction of economic growth and income distribution are needed, integrated development strategies must be initially provided for in a national context for improvement of economic development planning.

Purpose of the Study

In order to improve Thai economic development planning, it is indispensable that evaluation of the past two development plans must be systematically undertaken. The results of the evaluation will reveal the magnitude of problems and obstacles related to the development planning process as well as certain trends. It is a useful means for recommending integrated development strategies for linkage of different timing of plans (long-term, medium-term, and short-term) and coordinating of planning and implementation, at all levels of government, into a coherent pattern regarding the spatial distribution of economic development. This is the main purpose of this dissertation. The study will also attempt to develop answers to the following questions.

> What was the role that development planning played in the Thai economy during the past two development plans?
>
> Why did inequalities of economic growth and income distribution create problems in Thailand?
>
> What were consequential problems in the GBM and the other four regions of Thailand?
>
> What were important factors that caused such inequalities in Thai development?
>
> What kind of conceptual framework should be applied for recommending development strategies in order to correct previous problems? How?
>
> What further steps should be taken for fulfilling the Thai development objectives?

Scope and Limitations of the Study

Because economic development planning of a country is a field which is multidisciplinary in nature, it is almost inevitable that a comprehensive approach should be taken in three dimensions: activity, space, and time. However, limitations of data and time available prohibit such a broad and extensive approach to all aspects of development planning related to this dissertation. The central theme of the study is to evaluate the past two development plans of Thailand for integration of regional urban development into national economic development planning. Therefore, in the activity dimension, the study is to discuss problems and issues related to economic development in terms of social, political, physical, natural resources and ecosystems, as well as to economic aspects. In the spatial dimension, the study is to compare the GBM to the other four regions of Thailand in economic development. Meanwhile, the time frame for evaluation will be mainly limited to the period 1961-71. Simultaneously, recommendations of integrated development strategies will be a long-term guideline as the time dimension.

This dissertation does not analyze such social concerns as health, crime, poverty, education, social violence, or social institutionalization; the physical aspects such as housing, transportation, land uses and others; nor political or administrative aspects are

analyzed. Policy plans and development plans and programs are not formulated as planning aspects. In addition, international economic development planning is not included in the analytical study. However, some of these problems and issues are recognized and described as they are related to economic development planning in Thailand.

Procedure of the Study

Applied Procedure

The procedure for evaluation of the past two economic development plans of Thailand will be based on the established development objectives and the statement of the hypothesis. Therefore, the measurements will be taken against the development targets translated from the development objectives. At the same time, the criteria of the statement of the hypothesis will be designed as a measurement. These criteria will combine instruments and some essential structures related to economic development. The instruments are capital investments, labor productivity, and others; whereas, structures are referred to in terms of economic, social, political aspects as well as population. Some of these structural changes may become major means to development if existing structures are seen as obstacles. All applied criteria for measurements will be indicated in the procedural steps section (see below).

Since economic development planning is complex, there is not a universal rule for measurement. Therefore,

a simple method of measurements will be applied for quantitative indicators in terms of ratios, rate changes, percentage, and real number distribution. These quantitative indicators are applied to those in terms of capital and current investments, gross domestic product (GDP), money income, labor productivity, and structural transformation of economic production. Quantitative indicators are useful in describing different levels of the pattern of economic development over time. In order to facilitate the evaluation of the results in a logical and systematic fashion, the components of integrated development planning will be applied and described in relation to economic development. These components, as qualitative values, focus on the study of the government system, economic development planning organization and procedure, urbanization and internal migration, and natural resources and ecosystems. In addition, other qualitative values, which cannot be quantified but which are related to economic development, such as social and cultural factors, will be described.

In this fashion,the evaluation will be facilitated as such problems and trends of economic development are recognized. This will lead to indications of potentials for integrating regional urban development into national economic development planning, recommendations

for development strategies for the future development of the Thai economy.

Procedural Steps

Measurements and evaluation of the past two development plans of Thailand as well as implications for future development will be discussed as follows:

1. Study of Thai economic development prior to 1961
2. Identify the set of time frames of the two plans already implemented and a set of periods over time for measurement
   a) A time frame of development plans
      (1) The first plan, 1961-66
      (2) The second plan, 1967-77
   b) A set of periods over time for measurement--1961-63, 1964-66, and 1967-71
3. Measure the overall growth rates of output (GDP) over time against the established development targets of the plans
4. Measure the growth rates of GDP over time, by industrial sectors, against their established targets, notably agriculture, mining and quarrying, manufacture, construction, transportation and communications, energy, commerce, and social services
5. Evaluate the results of the performance of these two plans against the established targets

6. Measure the following criteria against the hypothesis

   a) Capital investments over time as shown by

      (1) Percentage and amount of distribution of capital investments in the nation, by regions and the GBM

      (2) Capital investment per capita per annum by regions and the GBM

      (3) Percentage distribution of capital investment in GDP by regions and the GBM

   b) Current investments of municipalities over time as shown by

      (1) Percentage and amount of distribution of municipal expenditures and revenues by the GBM and regions in the nation

      (2) Municipal expenditure per capita per annum, by the GBM and regions

   c) Structural transformation of economic production over time as shown by percentage and amount of distribution of GDP, by industrial sectors, by regions and the GBM

   d) Labor productivity over time as shown by

      (1) Percentage distribution of employment, by agricultural and nonagricultural sectors, by the GBM and regions

      (2) GDP per worker, by agricultural and

nonagricultural sectors, by the GBM and regions

e) Economic output (GDP) over time as shown by
   (1) Percentage and amount of distribution of GDP, by the GBM and regions in the nation
   (2) GCP per capita per annum, by the GBM and regions
   (3) The overall growth rates of GDP, by the GBM and regions

f) Money and nonmoney income in 1963, 1968, and 1971 as shown by
   (1) Money and nonmoney income per capita per annum, by the GBM and regions
   (2) Money and nonmoney income per family per annum, by the GBM and regions
   (3) Percentage distribution of families, by income classes, by the GBM and regions

7. Evaluate the results against the stated hypothesis
8. Identify a concptual framework and components of integrated development planning by focusing on
   a) Description of general geographic characteristics and natural resources, mainly agricultural products and transportation and irrigation systems with provided maps, by regions
   b) Description of the pattern of urbanization of the country with the provision of some

essential quantitative data for the periods 1947-60 and 1960-70

c) Description of the pattern of internal migration in Thailand in relation to causes and effects of migration and the urbanization process with the provision of quantitative data for the periods 1956-60 and 1966-70

d) Description of economic development planning organization and procedure related to the nature of development plans and planning process

e) Description of the government system in political and administrative contexts related to economic development planning of the country

9. Indicate those problems and trends of previous components in relation to economic development in Thailand in order to verify those tests of the basic hypothesis

10. Indicate potentials of integrated development planning, on the basis of antithesis, as the future hypothesis that will be appropriate for the Thai economic development

11. Evaluate all previous findings in relation to Thai development planning

12. Suggest measures of such integrated development strategies as

a) Identifying the structure of regional urban growth centers that will have potentials for industrial investments as key economic development units of the country

b) Raising the efficiency of agricultural productivity for rural development

c) Improving economic development planning organization and procedure through the planning process

d) Decentralizing the government's role in economic development planning on both political and administrative levels

13. Summarize overall theories, procedures, and major findings, and make overall conclusions, as well as summarize all recommendations

14. Suggest further steps of the study that should be pursued for fulfillment of such recommendations, as well as recognize other areas of development planning that are related to economic development in Thailand.

Organization for the Study

This dissertation is organized into eight chapters. Chapter I is concerned with the historical development and general characteristics of Thailand. The statement of problems, need and purpose for the present study is

provided. In addition, general procedures, scope and limitations are included. Chapter II deals with exploring a conceptual framework for evaluation of the past two economic development plans of Thailand. This includes theories and applied procedures for such a purpose. Chapter III focuses on measurements of development plans during the period 1961-71 against the established targets. A statement of the basic hypothesis is also given.

In the meantime, a conceptual framework of integrated development planning and its components are introduced in Chapter IV, with theory and procedure. Chapter V continues the discussion based on Thailand. Problems, trends, and potentials of economic development of Thailand are developed in Chapter VI. Chapter VII focuses on recommendations for integrated development strategies for the Thai economy in the future. Chapter VIII summarizes overall theories, procedures, and major findings from the study. Conclusions of the study are followed by the summary of recommendations. Indications of possible directions of further studies are also suggested.

FOOTNOTES

[1]National Economic Development Board, National Economic Development Plan of Thailand, 1967-1971 (Bangkok: 1968), p. 87.

[2]National Economic Development Board, National Economic Development Plan of Thailand, 1967-1971 (Bangkok: 1968), p. 23.

CHAPTER II

CONCEPTUAL FRAMEWORK FOR EVALUATION OF THE NATIONAL ECONOMIC DEVELOPMENT PLAN

Theory of Economic Development Planning

Development means many things to many people; and the manifold dimensions of its process lead to a wide variety of emphases in its prescription. Development is closely related to the idea of progress in terms of growth and change; and this idea appears to be generally accepted today. There is a general agreement, at least, that countries can be distinguished as more developed or less developed, or as developed and developing countries. Some countries may develop faster than others in a given period of time.

In this way, a development can be defined as a process for improving the capability of a country's institutions and value systems to meet increasing and different demands of an economic, social, cultural, as well as a political character.[1] In developing countries, the development refers not only to economic growth and industrialization but also to change in structures and institutions.

Planning signifies essentially the process of choosing or selecting among alternative courses of action, with a view to allocating scarce resources to reach specified objectives based on a diagnosis covering all the relevant factors that can be identified.[2] Such relevant factors include the social, economic, political, as well as the cultural structures of countries seeking to plan, and the choices include the selection of instruments and approaches that will be workable within those structures. In this connection, economic development planning involves deliberate initiation or promotion of economic growth and change with modernization of institutions, as well as with the allocation of resources necessary for economic programs.

Thus, the basic task of economic development planning is to guide the economic growth and change in the direction of some image based on authentic national conceptions of welfare, justice, and creativeness. Without such an image, economic development planning would be constructing an organism whose existence would be pointless in the absence of a guiding intelligence. Moreover, economic development planning can and does take place on several levels, notably including anticipating future problems and needs; rationalizing the overall resources at a government's disposal and making the most effective use of those resources; and planning within individual sectors

and between related sectors (cross-sectoral planning). An effective promotion of economic growth and change depends, among other things, upon the ability to create and maintain the essentially certain structural and institutional changes of the country that are closely associated with the development planning process.

In this way, it is necessary to understand the dimensions of the economic development planning; the evolution of economic development thought; the elements of economic influence in conditioning economic development; and the development planning organization and procedure for developing a country's economy. These concepts will be helpful in evaluating the past two national economic development plans as well as present development planning in Thailand.

Dimensions of Economic Development Planning

Generally, a conceptual framework of dimensions of economic development planning is conceived as an integrated system. It is composed of activity and space and time dimensions.

The function of the activity of economic development planning is concerned by defining national goals, establishing the development objectives and targets, formulating the development plan and sectoral priorities, as well as constructing aggregate programs for the entire economic area to be executed by several agencies. However,

the function of economic development planning is also related to different types of development planning activities: social, physical, and political (government structure and administration) development planning. Although each of these planning types has its own field of activities which make it unique, in reality, they become integrated, and their interactions are often highly complicated.

The function of the spatial dimension of economic development planning is conceived to be related to the geographical territorial space of planning areas and their corresponding administrative units. These planning areas are actually overlapping. Development planning proceeds from a village and town to a municipality; then to a region which contains all villages, towns, and municipalities; and finally, to the national level which embraces all of the planning regions. Because of the overlapping nature of planning activities among their particular jurisdictions, proper and effective cooperation and coordination at all levels of government become imperative.

Meanwhile, the function of the time dimension of economic development planning is a crucial element of a planning scheme for future change. Therefore, there is a need to formulate a long-term plan by setting development objectives and final targets; to formulate a medium-term plan ensuring proper phasing of the long-term

objectives; and to formulate short-term programs breaking down a medium-term plan into even more concrete projects, in other words, implementing policies into action-oriented programs which are formulated for immediate execution. Objectives are middle-term policies to which all short-term implementing policies are oriented. Middle-term policies are programmed over a longer period of time in an attempt to reach a desired ideal state or set of goals. These goals, in turn, make up long-term policies or objectives. In this way, every stage of economic development requires a compatible rate of comprehensiveness of those three types of plans, unless they become static and obsolete.

Evolution of Economic Development Thought

Preoccupation with the problem of economic development is not exclusively the domain of contemporary economic thought. Great economic thinkers of earlier eras were also profoundly concerned with the nature and causes of economic growth of the wealth of the nations. In the history of economic thought, such figures as Adam Smith, David Richardo, Thomas Robert Malthus, John Stuart Mill, and Karl Marx are predominantly associated with theory of economic growth. The importance of this subject is such that, in the twentieth century, it virtually underwent a rebirth in the hands of such economists as Joseph Schumpeter, Alvin Hansen, and Evsey Domar. The development

of economic theory in this area will be traced briefly from Adam Smith to the present. All the economists here address themselves primarily to the problem of economic growth in countries already on the path of development. Despite the phenomenal progress in these countries in the past 150 to 200 years, it is perhaps surprising that many of these writers entertain the expectation and develop theories that predict that growth will be retarded and eventually stagnated.

According to Adam Smith,[3] capital accumulation resulting from savings, together with the growth of a population imbued with the propensity to truck, barter, and exchange, lead to a division of labor, the introduction of machinery, and consequent increases in the productivity of labor. All of these continue to promote economic development. But he believed that for all these a degree of opulence would eventually be reached where the stock of capital is so large, in relation to other resources and to the effective consumer demand, that the rate of profit will fall, and this will discourage capital accumulation and further growth.

Others, too, assign a broadly positive role to savings, but not in so unqualified a way. Malthus,[4] for example, argued that nations could have, with respect to savings, too much of a good thing. He emphasized that too much savings implied too little consumption, causing a

tendency to glut and a consequent underutilization of capital, a condition inimical to sustained growth.

The theories of David Richardo[5] and John Stuart Mill[6] also point to eventual stagnation of economic development. The law of diminishing returns in agriculture is the cornerstone of their analyses. A positive rate of profit motivates savings and capital accumulation, thus raising income, the demand for labor, and ultimately, increased wage rates and the size of population. A larger population generates an increased demand for food which, because of the operation of the law of diminishing returns and the scarcity of arable land, will be forthcoming only at higher prices. Although the population will ultimately return to a subsistence wage level, money wages must be permanently higher because of higher price of food. In this process, rent has also risen, and little consequently remains for profits of stock. Capitalists are thus robbed of their motives for accumulation, and growth ceases.

To this point, Mill and Richardo are in substantial agreement, but it should be noted that Mill takes a complacent view of the stationary state. The advent of this stationary condition, though it means the cessation of capital accumulation and population growth, implies for him no cessation of human improvement or even, paradoxically enough, of technological progress. The latter, however, is devoted entirely to increased leisure rather than to

any increase in output.

Karl Marx's[7] theory of economic growth under capitalism is built with the aid of analytic tools largely borrowed from the classical economists. Marx, like Richardo, argued that capital accumulation would eventually reduce the rate of profit and thus the rate of economic growth. But where Richardo built upon the concept of diminishing returns, Marx depends upon the phenomenon of the declining rate of surplus value. This is the return to the capitalist that results from his exploitation of the working class: the wage payments that the capitalist must make to the laborer is something less than he derives from the laborer's output. Over time, however, the exigencies of competition induce capitalists to substitute machinery for labor. But machinery, unlike human being, yields no surplus value, and thus the rate of profit will fall, as the ratio of capital machinery to labor rises. In attempting to counteract the falling rate of profit, capitalists increase the hours of work and reduce the wages of labor, thus worsening the plight of an already exploited class.

Joseph Schumpeter's[8] theory of economic development represents a departure from the previous theories in that it incorporates no prediction or implication of inevitable economic stagnation. In this system, the burden of economic growth is borne by the entrepreneur. The rate of economic

growth in the capitalist system therefore depends in a critical way upon the size, quality, and activity of the entrepreneurial class. But entrepreneurs operate in fits and starts. Their innovations tend to appear in clusters, and therefore economic growth is not a smooth and steady affair.

Nothing in Schumpeter's purely economic analysis bodes ill for future economic development under capitalism, but social and political forces growing out of economic systems are regarded by him as altogether another affair. He believed that it is in the very nature of successful capitalism to engender an atmosphere that is fundamentally hostile to the entrepreneurial class. On the one hand, the tendency to monopolistic bigness and to organizational routine tend to usurp the entrepreneurial function; on the other hand, the growing strength of labor unions and increased government intervention tend to impede it. Ultimately, these and other social and political forces will, in Schumpeter's view, result in the dissolution of capitalism in its traditional form. But it should be made perfectly clear that this unfavorable prognosis for the capitalistic system does not necessarily imply any diminution of the rate of growth, for Schumpeter did not deny that growth may continue under a different economic system.

The catastrophic world depression of the 1930s prompted a rude awakening of interest in the growth problem. As depression wore on to intolerable length, the advanced countries were in the grip, not merely of a cyclical disturbance, but of secular stagnation. Using an essentially Keynesian analysis, Alvin Hansen[9] concluded that investment demand falls below the economy's savings potential, and that the actual growth of national income falls below the rate of which the economy is capable, with unemployment becoming a chronic condition. However, this concept of stagnation is much less extreme than that of J.S. Mill. For the latter, it meant the complete cessation of growth of capital, output, and population; for Hansen, it is a matter of development at a decreasing rate, with general underemployment of resources.

With few exceptions, the formal theories which have been discussed up to this point embody, either explicitly or implicitly, predictions about the long-run outcome of the process of economic development, and these predictions have been predominantly pessimistic. In contrast, the Domar[10] model of economic growth cannot be termed pessimistic, if only because it makes no prediction of any kind. The model derives the conditions concerning savings, investment, and the rate of growth of income required for the stable growth of the economy. This means that growth occurs with neither unemployment of resources nor inflation.

However, it does not specify whether these conditions actually are realized and can be expected.

The aforementioned economists contribute something of importance to economic development. Conceptually, a theory is designed to explain and perhaps to predict some process or phenomenon. It operates at a high level of abstraction, selecting only a few relevant variables from a multitude in determining which variables are relevant. However, common to all of these is the emphasis placed, in a greater or lesser degree, upon the capital accumulation, or the growth of the physical means of production, as the mainspring of economic growth. On the whole, the spatial distribution of economic development has been left out of these previous theories in economic thought.

Factors Influencing Economic Development

As is clear in the previous discussions, growth and development go together up to the point where the economy loses its capacity to adapt to changed circumstances. It is virtually impossible to contemplate development without growth because a change in function requires a change in size. In this way, an economic development must represent growth and progress and contribute positively to social well-being rather than to stagnation or decay.

In this connection, economists frequently find it convenient to think of economic influences governing economic growth in conditioning a given level of economic

development. These economic influences will be examined, particularly in terms of their nature and roles in production. This will not be a formal theory, rather, it will represent a collection of ideas and propositions which may be useful for economic development planning in Thailand. Traditionally, the factors of economic growth are classified as land, labor, capital, and entrepreneurship. However, there are many factors which are related to economic growth besides those traditional ones. At the same time, it is neither accurate nor especially helpful to single out a particular ingredient of economic growth and attribute to it the role of the first or primary factor in development. Some noneconomic aspects can become determinants of economic development also.

Land

Land and its resources in the familiar triad of factors of production are important to economic development. The availability of land is a classical factor affecting the potential growth of a country. By land is meant not only the physical surface of the earth but the total endowment of nonreproducible natural resources. The basic roles of natural resources are relevant to economic development. To the extent that such resources are a fixed quantum, their progressive depletion may retard the development process by raising the real costs of industrial raw materials to excessively high levels. In addition, land is

particularly important to developing countries with their paucity of capital or innovational skills. Other things being equal, a country's potential in economic growth will be greater the higher ratio of natural resources to population.

Capital

In the view of many economists, capital occupies the central position in the theory of economic development. It is not only regarded as central to the process of development but as strategic. Economic growth requires and depends on inputs to capital formation. Because capital formation can substitute for resources and labor, many economists think that capital formation is the key to economic development. Given a capital formation and output ratio of some sort, capital formation leads to more output, thus providing a surplus for further investments and further increases in output. At the same time, a surplus of a capital investment mainly depends on savings, which is the prominent function of capital formation. However, in reality, care must be taken not to endow capital formation and output ratio with the force of a determinant in its own right because capital formation is not the only ingredient of the economic growth process.

Labor

The quality of labor is very important as well as of the quantity. Labor, unlike other variables in the productive process, must be placed in a rational economic activity as the prerequisite requirement. In a dynamic economy, changes in the capital structure must be implemented by changes in the skill structure; whereas, a shift from rural agricultural economy to an urban industrial economy means a complementary change in background, education, and in work skills. Increases in supplying the quality of capital structure, in changing the organization of production and distribution, of successful development of new materials and processes as well as products requires appropriate changes in the level and composition of skills.

Organization

An organization is needed to combine other economic factors for given production and distribution, in terms of the mechanism for managing, bearing risks, innovating technologies, and making decisions. Differences in quantity and quality of organizations may be used to explain differences in output among countries and local areas; improvements in the quality of an organization may also help to explain why economic growth proceeds faster than is accounted for by other factor inputs. The organization is frequently thought of as a private enterprise, but

a government also provides goods and services. However, the efficiency of an enterprise is based partly on cultural characteristics and partly on experience.

Technological Change

Technological change is a principal contributor to economic growth because, fundamentally, the impact of changing a technology is manifested in increases in the productivity of labor and capital but none of the other factors of the production is immune from its impact. The effectiveness of capital investment and new labor skills in contributing to economic growth depend, to a large extent, on a steady flow of new inventions: materials, methods, productive equipment, products and managerial controls, as well as directions. Therefore, the importance of technological change in the process of economic growth stands in marked contrast to the paucity of man's ability to trace and to explain the antecedents of such a change through the process of inventions and culminating in the application of inventions to economic development.

Size of the Economy

Economic growth, its rate and direction, is a composite result of innumerable decisions by individuals, groups, firms, and government. For economic growth to occur in a free enterprise economy and democratic political system, there must be a widespread desire for such a growth

and, also, a means of expressing this desire in the form of market demands as well as political mandates. The efficiency of production is partly a function of its scale, which in turn is limited by the size of the market. In addition, changes in scale, from the increase of market demands, provide the specialization of the economy not available at smaller scales and may result in a substantial improvement in the productivity.

Transformation

A transformation of resources among industrial sectors of economic production is a requirement for economic development, particularly in the economy of more than one output. It is called for because consumption of any one good encounters diminishing returns after a time. As the income increases, old wants take smaller percentages of the income, and new wants arise. In consequence, resources must be transferred to new occupations. However, the shift of resources must imply an increased efficiency in the low-productivity sectors and in expanding demands for products of the high-productivity sectors. Particularly in developing countries, the major gains from the structural shift to manufacturing and other sectors would not be possible without the increase in an agricultural productivity.

Economic Stability

Economic stability is another fundamental factor in the economic influences that can help to expedite economic growth. No economic development is possible without a degree of political and administrative stability. Major upheavals aside, the impact of political and administrative changes can affect the development policies through a shift in the formulation of development programs. In this way, the government is in a position to adjust development programs that would create reasonable economic stability on the basis of anticipated future values. Without an appropriate adjustment, there is little incentive for any organization to invest in a productive activity. However, a complete stability in future values is, of course, impossible in a dynamic economy which generates obsolescence. But the economic stability is just one ingredient of those economic influences.

Population

The pressure of population is a major factor limiting the rate of economic growth and progress, particularly in those developing countries with a high rate of population density and population increase. High growth rate in population keeps per capita output low. At the same time, the pressure of population has an effect on labor in terms of production. In some developing countries

where the proportion of the population under fifteen years of age is high and the age distribution is unfavorable to production, then the proportion of the population of labor-force age is relatively low for any economic development. However, assuming adequate training is available and food supplies can be assured, the pressure of population provides the labor force required for industrialization, increasing the rate of the capital formation and production in the economy.

Noneconomic Factors

There are some noneconomic factors which may shape and affect the economic development of a given country. These are such basic social and cultural values as customs, mode of thought, attitudes, and motivations. It is hazardous, particularly with reference to developing countries, to analyze and to formulate policies and progress of economic growth outside the context of social and cultural factors which condition such economic growth and in turn must be affected by it. Generally, economic growth will be blocked if the values are diverted from social and cultural domains. However, many such values prevail in economic development. A broadened and enlarged development program which looks not only towards an immediate increase in economic growth but also towards developing social and cultural values which will sustain

economic development will surely be worthwhile. The effectiveness of the economic development, therefore, depends upon how well it is placed in its proper context.

Therefore, the level of economic development is influenced by many factors, both economic and noneconomic factors, which condition such development. The capital accumulation and the pattern of its allocation within a country are obviously important for economic growth. The effectiveness in the use of labor, natural resources, and the level of a country's technology are essential for economic development. The adaptability of the entrepreneurial organizations to the scale of markets and the role of the government in sustaining economic stability over time are desirable. The pattern of the population growth, investment, as well as the skill structure are clearly basic. In addition, the interplay of economic and noneconomic factors is very important in economic development.

Economic Development Planning Organization and Procedure

In formulating and implementing a national economic development plan of a given country, the established development planning organization and set of procedures may set an explicit goal for development objectives, establishing growth targets and priorities for the allocation of resources as well as carrying out a development plan. Although there are alternative ways of accomplishing a given

planning result within limits, it is essential to present general principles of the planning organization and procedure. A planning organization and procedure in a given country, moreover, may be less formal than is indicated in the description which follows. However, either these elements or their functional equivalents must be present for fully effective development planning.

Planning Organization

In developing countries of Southeast Asia there are usually planning units in all the departments and agencies of the central government. It is their function to prepare development programs and projects for presentation to the national central planning office, which is the national economic plan-making institution. The national central planning office is often in a position close to the office of the prime minister, to the national legislative, or to other chief decision-making bodies. Although its advice and prescriptions are not always followed, the plan-making institution is in an excellent position to influence actual assignments of resources.

Generally, the national central planning office must be a unit within or attached to the office of the chief executive. It is a technical agency with a purely advisory function. It has sections staffed with economists dealing with macroeconomic aspects, global planning, such as national-income accounting, manpower needs and resources,

monetary and fiscal policy, and the balance of international payments. At the same time, it has sections staffed with specialists dealing with sectoral programs, such as agriculture, mining and quarrying, transportation, construction, energy, manufacture, and commerce. It also provides a section that collects and analyzes statistical materials, one that carries on programs, one that evaluates the results of the development effort, and one that studies the administration of this effort and proposes means by which it may be improved. Moreover, there is a council at the highest level of the administration which makes final determinations concerning the development policy. It is to this body that the national central planning office makes its advisory reports.

Plan Formulation

The national central planning office draws up plans of differing duration. There is a long-term plan, covering as much as two decades, which sets forth in general terms the intended direction, pattern, and rate of development and explains the strategies for achieving goals. There is a medium-term plan, running approximately five years, which spells out the details of the development efforts in a manner that is consistent with the design of a long-term plan. Meanwhile, there are annual plans which contain the part of a medium-term plan that is to be

undertaken in each fiscal year. Of these, the medium-term plan is the most complete. It states goals and development objectives and presents macroeconomic projections of consumption, of savings and capital formation, as well as of output (GDP). It sets up attainable targets for growth in output; and it also aims toward an annual balance of development outlays and resources and foreign-exchange requirements as well as availabilities for the economy as a whole, including both its public and its private sectors.

In its microeconomic sections, the economic development plan (medium-term plan) allocates resources to several programs in such a way as to satisfy the requirements of efficiency, insuring that no project is excluded which would yield a return higher than one that is included and that no project is included that would yield a return lower than one that excluded. To this end, it makes explicit the criteria of efficiency which the national central planning office should apply in project analyses and in the establishment of project priorities. In this way, the development plan is internally consistent: the resources required by each project will be employed to fulfill the purposes for which the project was designed; the development plan is feasible: its provisions can be extended through the administrative organization and the procedures that are available. Finally, the development plan is broken down into annual segments that afford a basis for

the formulation of annual plans. Through annual planning, the medium-term plan undergoes continuous revision in the light of changing circumstances and evidences disclosed by continuing studies of its results.

Plan Execution

When the national economic development plan is formally adopted by the government, the national central planning agency and the budget office cooperate in incorporating the annual plans in the government budgets for the public sector. In influencing the development in the private sector, the national central planning office is, in the meantime, represented on the body that makes decisions regarding the government administration of negative controls and its positive inducements. The execution of individual programs and projects begins with the respective departments and agencies. However, the execution of the development plan as a whole is supervised by a central agency set up to parallel the national central planning office under the chief executive. It is the function of this operating agency to obtain periodic reports on the progress of development programs and projects, to remove obstacles to such progress, and to otherwise expedite the planned performance.

The execution refers not only to carrying out the government projects but also to administering measures

designed to stimulate the private enterprise, make resources available to it, influence its course, and curb it where needed. The quality of the execution of a development program as well as a development plan depends in large measures on the quality of the government administration in general.

Theory for Evaluation of the Thai Economic Development Plans

Conceptually, national economic development planning is a continuous process which extends from the survey and analysis of data through the drafting of plans of action to the programming and implementation of resulting schemes and projects. A continuous review and evaluation are essential in adjusting plans, programs, and projects whenever necessary. The most conspicuous of development planning is the preparation of a development plan, which provides potentially useful guidelines.

However, the development plan is not an end in itself but rather a means. The development plan should be flexible, for changing conditions may make deviations from original targets and established objectives unavoidable. Moreover, the implementation of the development plan may be successful in one area or sector, but lag behind in others, necessitating quick and adequate adaptation. Thus a proper evaluation of the performance of the development plan must be established. The results of such an evaluation

may reveal the degree of effectiveness of the development plan against the established targets and objectives by comparison of the existing state to the planned state. In addition, the evaluation may also reveal problems and issues related to development planning with regard to the integration of the development plan with the long-term and short-term plans. This would lead to improvement in the integration of these plans, as well as improvement in development planning through recommendation of appropriate development strategies.

The evaluation of a development plan, thus, becomes an essential instrument in securing compliance and a coherent linkage of the three types of plans in terms of the time dimension. The development strategies are by no means mutually exclusive; on the contrary, they are complementary in many ways. On the one side, development strategies are needed as a direction framework for long-term policies planning; and on the other side, the long-term policy plan would make a judicious choice out of various elements of the development plan (medium-term plan) and program alternatives (short-term plan). Then, the short-term plans that constitute a concrete statement of how the nation proposes to control its resources, where it proposes to get them, and what other action it proposes to take during the year in the form of law and regulations to accomplish its purposes are needed to fulfill the

development plan.

Since the development plan is more concrete, as an integral part of those three types of plans, the evaluation of the development plan is indispensable to any system of the development planning if the development plan is intended to be more than ornamental. In this fashion, this would lead to changing development strategies and recommendations through modifying the long-term policies plan, development plan, and programs as well as maintaining current and up-to-date plans. This conceptual perspective would be applied to evaluating the past two economic development plans of Thailand.

General Procedure

Contents of the Measurement

In evaluating the past two national economic development plans of Thailand, which had been implemented during the periods 1961-66 and 1967-71, it is necessary to take into account the systematic procedure. The measurable aspects of such an evaluation are proceeded in the following directions and substances, with an adequate availability of relevant data.

The total performance of the development plans

Since the development planning of the Thai economy is a process of formulating goals or values and developing

commitments to attain them, the fulfillment of development targets, therefore, leads to the desired objectives, and in turn leads to the goal achievement. In this way, the measurements of development targets will reveal the results that indicate the levels of performance of the past two development plans by comparison of the differences between development targets and actual events.

Normally, a country chooses some overall economic growth magnitude as an objective and derives targets therefrom. The derived targets must be consistent with the development objective and with each other. With each target set, degrees of freedom with respect to the remaining targets are lost. In Thailand, the past two economic development plans were based on the hypothesis that the development objectives were expressed in terms of output change (GDP change) in the overall economic growth as the primary targets; whereas, the economic growth of each industrial sector also had a certain target to be achieved. Therefore, the measurements for evaluating the performance of these two development plans as a whole would be pursued against certain rates of the overall output change and each sectoral output change.

Comparative performance of the development plans

Although the past two national economic development plans of Thailand assumed that the attainable development

targets in both the overall economic growth and each sectoral economic growth indicated the achievement of the established development objectives, they are, however, not adequate to measure the equitable distribution of the benefits of the economic growth in the country, particularly between the GBM and the other four regions, as the primary development objectives of those development plans. Even though the high rates of national economic growth alone do not imply the equality of the economic growth distribution, they are still the only general indicators of economic development in common use. Comparisons of the performance of development plans in the equitable distribution of the economic growth in Thailand should include the spatial dimension, as geographical territorial space, for measurements.

In addition to final goals or values, the process of development of the economy involves the building up of instruments or means for goal achievement such as capital formation, labor productivity, technology. At the same time, there are various changes that take place with the economic development which are not necessarily considered to be final goals or values, and are not deliberately pursued as means, but which are nevertheless consistently found to characterize the empirical process of such development. These changes occur not only in the economic structure, but also include social, political and population

structures. Some of these structural changes may be useful to expediting an economic development, as instruments to such a development, if existing structures create obstructions to the development.

Conceptually, the picture is highly complex; and it is impossible to build up such a complete quantitative aspect for comparative measurements because of limitations of data available. Therefore, it is necessary to formulate an hypothesis which includes some essential instruments and structures. It will also include established development objectives for comparison measuring. In this way, this systematic process of measurements for comparative analyses of the performance of development plans will be applicable for the Thai economic development.

In order to fulfill these requirements, the statement of the hypothesis is formulated (see Chapter I). At the same time, the selection of geographical location for comparisons as well as for quantitative indicators for the hypothesis will be delineated. They would be deliberately chosen on the basis of relevant criteria.

Selected Locations and Indicators for the Measurement

Selected locations

In comparative measurements for the evaluation of the performance of economic development plans in Thailand, the GBM and the other four regions of the country--the

Northern, Northeastern, Southern, and Central regions--are chosen on the basis of administrative jurisdictions of the government system. Moreover, the choice is characterized by the homogeneity of certain geographic, economic, social, and cultural aspects. At the same time, these are problematic areas which are affected by policy decisions of the government. Quantitative data is limited to these geographic spaces also. Although the sizes of those areas are different, and there may be some difference in social and economic interactions, the choice is not always arbitrary. However, the choices are adequate, relevant and systematic for the purpose.

Selected indicators

Capital investment formation. Usually, the amount of capital investment formation is derived from the output (GDP) targets over time by assuming a certain capital to output ratio. The capital investment formation then becomes an essential collection of individual projects that have been financed by both public and private enterprise. Therefore, given that other economic forces are constant, the change of capital investment formation should be related to the change of output; and the different patterns of the allocation of capital investment formation among the regions of the country should result in different output among them. In this way, the difference in capital

investment formation between locations should be the important indicator in measuring development plans against the stated hypothesis regarding the inequitable distribution of economic growth in Thailand.

Current investment. Current investment of a municipality of Thailand is used to indicate expenditures in minor programs and maintaining municipal utilities as well as in general administration. The current investment and the revenue over time are applied as indicators for comparative measurements against the hypothesis related to the pattern of allocating such expenditures to the GBM and the municipalities in the other four regions of Thailand. The national central government budgeted in such a way that the large proportion of expenditures tended to concentrate in the GBM during the past two development plans of the country.

Family income by classes and personal income. In comparison of the inequitable distribution of economic growth between the GBM and the other four regions of Thailand, the GDP (output) is a useful indicator. However, it is not certain that the economic growth would benefit the people as seems indicated. The inequality of the economic growth distribution in Thailand can be understood when viewed in conjunction with the socioeconomic structure and the extent of mobility. In this way, the indicators of

the distribution of family income by class as well as income per family and income per person would be applied simultaneously to compare the benefits of the economic growth distribution.

Labor productivity. In the developing country like Thailand, where the economy is dominated by a system of production such as the traditional agricultural system, involving massive amounts of unskilled and agricultural labor, the improvement in labor productivity is low. This in turn will make small direct contribution to economic growth. Therefore, the labor productivity of agricultural and nonagricultural sectors of the GBM and the other four regions of Thailand will be applied as indicators for comparative measurements. This will result in assisting a useful interpretation for evaluation of the Thai economic development related to the economic growth and distribution between geographical areas of the country.

Structural transformation of economic production. In many developing countries where the structure of economic production is such that a large part of the value of the product and the growth of the product is concentrated in a limited sector which absorbs a smaller part of labor force, the labor productivity is very low. This is particularly true in Thailand where the economic growth is

dominated by the agricultural sector only, but with a relatively small growth rate. The economic growth in such a circumstance, however, unaccompanied by improvement in nonagricultural sectors, will not readily spread to industrialization in such a way that will create a balanced structural transformation of economic production; economic growth will slow down or collapse when limits of renumerative exploitation have been reached. Therefore, an indicator of a structural transformation of economic production will be useful for comparative measurements of the economic structure of the GBM and the other four regions of Thailand. These measurements will assist the interpretation of the evaluation of economic development in Thailand in relation to the economic growth between regions.

Because economic development is very complex being an interdependent system of change, there is no prescription for which would be the best quantitative measurement. Therefore, the conventional and simple method will be applied to ascertain comparisons of ratios, rates, percentage, and real number distribution. At the same time, there are many factors involving Thai economic development which cannot be quantified. However, they will be indicated and described as qualitative data, on the basis of literature related to the economic development of Thailand. Taken together, the procedure for measurements and the evaluation of the performance of the past two development

plans of Thailand will be relevant and applicable to comparative study. This study will be useful in improving economic development planning in Thailand, recommending development strategies.

Summary and Conclusion

When the national economic development plans of Thailand are evaluated their performance, it is necessary to understand the concept of such development planning. Upon examination, economic development planning is concerned with a sustained process involving the improvement of economic growth and change. Planning requires that scarce resources be allocated. This planning must be workable within the structures of the country in terms of social, political, and cultural aspects, which contribute to the economic progress. And the planning must reflect established national goals. At the same time, certain structural and institutional changes which are associated with economic growth and change must be established.

In this way, economic development planning must be viewed as an integrated system of the activity, spatial, and time dimensions of planning functions and their interrelatedness. In view of the evaluation of ideas of economic development theory, economists find it convenient to think of factors of governing economic growth as means for economic development, and they place capital formation as the main factor of economic growth. The spatial distribution

of economic development had not yet been considered. However, economic development not only implies growth in output, input, and efficiency, but also implies changes in structural and institutional capacity related to such development. This leads to exploring factors influencing the economic development which are essential, as instruments and structures. These economic influences are land, capital formation, labor, organization, technological change, size of economy, transformation, economic stability, population, and other noneconomic factors.

In the meantime, the machinery and set of procedures of development planning must exist for the promotion of economic development if such planning is to result in effective implementation for the national economy. All of these factors must be understood in evaluating the performance of the past two development plans of Thailand.

Since effective economic development planning requires a sequential handling of long-term plans, medium-term plans, and short-term programs adjusted by series of successive approximations, it is necessary to evaluate the national economic development plans (medium-term plans) which are the most complete and the integral parts of these three types of plans. The results of the evaluation will be useful in recommending development strategies which are aimed at bringing about the improvement and coherence of these three types of plans.

In the operation of such an evaluation, a systematic procedure is established to measure the overall performance of the development plans as well as the comparative performance of the GBM and the other four regions of Thailand against the established development objectives. In addition, the statement of the hypothesis is formulated with some essential instruments and structural factors that would be useful for a logical explanation of the objectives. These measurements are limited to the availability of quantitative data. Meanwhile, a simple method of measurement is applied to indicate comparative differences of the existing state and planned state, as well as between the GBM and the other four regions of Thailand. Furthermore, some factors in terms of means and structures, as qualitative indicators, which are related to Thai economic development and cannot be quantified will be described. Finally, the choices of regions (the GBM and the other four regions of the country) for comparative measurements as well as for quantitative indicators will be defined on the basis of relevant factors.

FOOTNOTES

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[2]United Nations, "Highlights of the Symposium," p. 17.

[3]Adam Smith, "The Wealth of Nations," in Studies in Economic Development, ed. Bernard Okun (New York: Holt, Rinehart and Winston, 1961), pp. 32-41.

[4]T. R. Malthus, "On the Progress of Wealth," in Studies in Economic Development, ed. Bernard Okun (New York: Holt, Rinehart and Winston, 1961), pp. 49-59.

[5]David Richardo, "On Economic Growth," in Studies in Economic Development, ed. Bernard Okun (New York: Holt, Rinehart and Winston, 1961), pp. 41-49.

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CHAPTER III

PERFORMANCE OF THE FIRST AND SECOND ECONOMIC DEVELOPMENT PLANS OF THAILAND

Historical Evolution of Thai Economic Development

Study of the history of the Thai economic development provides a background for its evolution in relation to the economic development during the past two economic development plans, 1961-71. This understanding will be useful for the systematic evaluation of these two development plans in interpretation, explanation, and generalizations of the dynamic interplay among relevant factors, instruments, and structures of the country in the process of such a development.

Prior to 1850, Thailand was economically stable and relatively content with a tropical climate, extensive waterways, heavy monsoon rains, and large areas of fertile soil. Almost all of the economically active population was engaged in agriculture, particularly in rice cultivation. Whatever surplus existed was carried on, in a complex social order, to support the king and nobility and to use to defend the kingdom. Although Thailand had consciously avoided for at least a century having any

extensive contact with the more economically dynamic and aggressive Western countries, it was not characterized by the complete adsence of trading activity, especially with its neighbors.

The history of modern Thailand began in 1851. Then the country began to be exposed to the influence of world trade and Western culture, as well as to major economic changes. Owing to the awareness of dangers which may have been seen in British and French territorial ambitions, Thailand began to concede to diplomatic and commercial pressures of Western nations. In 1855, the Bowring Treaty with Great Britain opened Thailand to extensive trade with the West, establishing a pattern which subsequently was followed in a series of similar treaties with the United States and France in 1856, and with ten other European powers by 1870 and also with Japan. The effect of trade from 1855 to 1939 was to transform fundamentally the dominant mode of production and to alter drastically the mode of social existence. This led to a vast extension in commercial agriculture, for the bulk of economic activity became directed toward the production of agricultural commodities for the export market, particularly for Great Britain. More importantly, it was a process of specialization of production, while nonagricultural activities in terms of cottage industries were forced out by new, European-manufactured, imported goods.

Because of such limited economic development since 1850, largely in response to external pressures and stimuli, the Thai economy remained firmly linked to most of its traditional characteristics. However, the economic evolution led to great alterations in the whole social fabric of the country, by changes in the system of production ensuing from it, and by a gradually increasing tendency for specialization of work. This, of course, was beneficial to foreign trade and industries, but greatly detrimental to the people concerned because there had been no compensating development of production in other directions. In this way, the Thai people became less self-sufficient, and the country was kept economically weak from the intervention of the Western powers.

Although the Thai government did not offer a solid economic activity in this era, the monarchy was still a progressive force in sustaining social, cultural, and political spheres of life. However, the crown became a restricting influence in the 1920s and 1930s. Finally, it was not capable of promoting the development of an industrial economy. In 1932, not only formal restraints had been imposed on the power of the crown, but also an attempt was made to create the precondition for further economic change in Thailand by those at the top of the society. A period of tentative modernization followed, primarily under the direction of civilian and military elites.

At the end of World War II, Thailand was confronted with many problems. There was the need to restore foreign trade and exchange. At the same time, there was the problem of fulfilling obligations imposed by the Allies for making available quantities of rice free of charge and subsequently at low prices. In addition, there was the urgent need to repair the damage inflicted upon economic infrastructures, particularly those of power, and transportation and communication facilities. Overriding all these problems was the inflationary pressure which gathered strength during the war through the heavy financing of Japanese military expenditure in Thailand, and which became aggravated in heavy government budget deficits. In this way, World War II proved to be costly for Thailand, weakening its capacity for production and capital stock and leaving its incapacitating mark for some years afterwards. Some years later, again, Thai exports were hard hit by a world trade recession after the Korean War boom. The customary soundness of its currency was weakened and its usual trade surplus became a substantial trade deficit.

These conditions compelled the Thai government to engage in major financial reforms designed to increase national revenue, to revise the method of financing new deficits, and to regulate exports and otherwise control currency exchange transactions. Since Thai public and private financial resources were extremely limited and

modern economic skills of all types were in short supply, the Thai government was compelled to turn abroad for assistance. Quite naturally, the Thai government looked primarily to both the International Bank for Reconstruction and Development (IBRD) and to the United States for the aid in promoting national security and economic development. Through various forms of foreign and international assistance, the government steadily improved the country's general economic conditions. Despite these efforts to bring about some order in the allocation of government resources, public development efforts were unbalanced, uncoordinated, and indicative of a total lack of scientific planning.

Consequently, an economic planning committee was set up in the National Economic Council (NEC). The work was, however, purely of an advisory nature in working out development expenditure budgets for various ministries and state enterprises. The final job of trimming down requests was that of the Ministry of Finance, which at that time also lacked the necessary personnel to carry out a proper evaluation of projects. The outcome was that expenditure was mainly decided by arbitrary negotiation and by yielding to the strongest pull. In this way, no economic revolutions were sought or achieved and, in fact, Thailand became increasingly conspicuous for its lack of a national economic development plan in the age in which almost all countries

had turned to such blueprints if for no other purposes than publicly to demonstrate their commitment to development. Therefore, economic progress was being pursued, after World War II to 1960, without comprehensive planning or with a scientific development planning mechanism, and on the basis of pragmatic and fragmented efforts which were subject to conflicting and self-interested political pressures among the cliques of the Thai ruling elite.

In general, there was, indeed, a greater willingness to provide necessary economic leadership by the government than had been true prior to World War II, but the efforts were fragmented, uneven, and not sustained with maximum energy. Consequently, such a movement away from the traditional subsistence agricultural economy, in the process of modernizing agriculture and related services and industrial sectors, did not involve a revolutionary behavioral transformation of economic structure into the urbanized industrial sectors, as well as in technological revolution.

Economic Development During the Period 1961-71

Economic Development Planning Organization and Procedure

As discussed earlier, there were some accomplishments in economic growth and structural modification between 1950 and 1958, but the results were not from an all-out campaign by the government. The military leadership had

assumed the modernization role of the country and revealed a much greater preoccupation with the national requirements for economic development in the 1958 coup d'etat. However, the sustained effort to intensify and rationalize the country's economic growth was spurred in large measures by the deteriorating political situation in Southeast Asia and heightened Communist threats to national security, as well as by extensive recommendations transmitted to Thailand by a World Bank Survey Mission. Following a study of the Thai economy, this mission, which was organized by the IBRD, recommended creation of a development planning organization and procedure to the Thai government. In July, the NEC was reorganized into the National Economic Development Board (NEDB) by the government in response to the mission's recommendations. The NEDB was designed to function as the national central planning body.

Finally, in the next four months, the NEDB produced the country's economic development plan, a broad six-year program for the period 1961-66, to be implemented in two stages: 1961-63, as the first phase; and 1964-66, as the second phase. Subsequently, a second national economic development plan was created in 1966, for the period 1967-71. Both of the economic development plans were promulgated by a Royal Decree. Since then, the NEDB has continued its role in national economic development planning.

Planning Organization

The NEDB is composed of forty-five members, drawn from various walks of life but mostly from the military bureaucracy and civil service, under the chairmanship of the Prime Minister. However, the Board seldom meets. Its function is delegated to the NEDB Executive Committee, which was set up for supervision of day-to-day problems. The Executive Committee is composed of ten members who are technically qualified persons appointed by the Cabinet, including the Secretary-General as the head of the committee; and the NEDB is administratively tied to the Office of the Prime Minister through its secretariat. The Executive Committee meets regularly with the responsibility for determining development policies which are submitted by the central planning office. The central planning office, under the direction of the Secretary-General, is charged with the tasks of plan preparation and project evaluation. It is, therefore, the Executive Committee which actually recommends the national development policies to the Cabinet for the final decision making. At the same time, the NEDB is also to coordinate closely with all ministries and operating agencies.

In this way, the NEDB has access to the highest political leadership through a number of channels. Organizationally, the Secretary-General of the NEDB, who supervises the work of the secretariat, has access to the Prime

Minister through regular briefing sessions. Meanwhile, the Executive Committee members are appointed from high ranking government officials and retired personnel who are usually well regarded by the political leadership. Of course, access to the high political leadership does not necessarily guarantee the approval of the Cabinet in development policies and other measures proposed by the central planning office. However, on the whole, the degree of success has been fairly high.

Plan Formulation

The formulation of the past two national economic development plans of Thailand established the development objectives and growth targets. However, development program priorities for the allocation of resources were missing from the development plans. In general, the plan formulation, during the period 1961-71, can be examined into two levels: macro- and microeconomic planning. At the macro level, an aggregate expenditure model was used to estimate the national GDP (output). The aggregative expenditure included investments, consumption expenditures, and earnings from exports and imports in different categories. This expenditure model was used to test the targeted GDP growth determined independently by the production approach. However, the final GDP growth targets were arrived at by taking into account domestic and

external stability constraints, allowing for a tolerable degree of unemployment in both public and private sectors.

At the micro level, the development plan formulation involved operating ministries and departments submitting their development projects for scrutinization by the NEDB planning staff. The project information included the project targets and the size and sources of financing. Microeconomic planning is reconciled with the aggregate considerations by viewing government expenditures on development projects as a balancing instrument required to achieve the overall growth rate consistent with the macroeconomic planning. However, the planning process at this level did not establish priorities among projects as well as present criteria by which such priorities could be assigned for the allocation of resources. The process of allocation of resources was done by providing development outlays agency by agency and year by year for setting ceilings for the possible guidance of the budgeting authority. In this way, it was obvious that the programming techniques had not been used or introduced to guiding public and private sectors over time in economic development planning. It is very difficult to see if development plans are internally consistent.

Most of the sources of the data bases for those two development plans included national income account estimates, which were largely based on production data,

except in some cases, such as services, where expenditure data were obtained mainly from tax records, population census and labor force surveys, household expenditure surveys, trade and monetary statistics, as well as from government tax and expenditure information. Nevertheless, these data bases varied in reliability, comprehensiveness, comparability, and timeliness.

Plan Implementation

In Thailand, the implementation of a development plan may be divided into two stages: the implementation of development policies and measures proposed in the plan, and the execution of development projects by operating agencies. This system of implementation was employed in the past two development plans also. At the national level, the planned policies and measures were implemented through the resolutions of the Cabinet, the highest executive body, and through legislative acts in some major cases. There were not many problems in decision making in this context because the planned policies and measures of the development guidelines were stated only in broad and general terms without any identification of specific measures and programs. Meanwhile, the execution of development projects was translated into annual implementation through the annual budgetary process. The latter was subject to a number of political and administrative constraints; and this still exists.

As discussed earlier, all new capital development projects had, by the Executive Committee order, to be submitted to the NEDB by all operating agencies for evaluation before they were presented to the Cabinet for approval. The NEDB's critiques, prepared in the planning office, were sent to operating agencies concerned, to the Budget Bureau, and to the Ministry of Finance. In many instances, the NEDB criticism led to the rejection of modification of dubious projects. However, at times a number of powerful agencies carried their projects directly to the Cabinet, bypassing the NEDB screening process. In the Cabinet, where the NEDB was not present, such projects might be more readily approved. Even where projects had been submitted for analysis, the objections raised by the NEDB might be overruled.

A similar pattern was related to the budgeting process. The development plans, approved by the Cabinet, supposedly influenced budgetary action. The Budget Bureau, when reviewing an agency's request for funds, did, in fact, regard the annual allocations contained in the plan as a constraint, and the NEDB regularly prepared such a list of development projects to be reconciled with the annual budget prepared by the Budget Bureau without phasing programs over time. Therefore, the planning and budgeting functions were not integrated. Because the budget was not subject to the authority of the development plans, the

stronger agencies did get what they wanted, even though it was not included in the plans, either by persuading the Budget Bureau or by going over its head.

At the regional and local levels, the implementation of development projects was constrained by the amount of financial resources made available for spending by the central government through the Department of Local Administration, Ministry of the Interior. In this way, the linkage between the development projects and financial resources was largely determined by the central government policies and measures, on the basis of a relatively overcentralized system.

At the end of the final step of the planning process, development project execution was carried on by ministries, departments, and operating agencies concerned with their respective projects. At the same time, in 1963 the Thai government established a project inspection team under the Office of the Prime Minister to set up a reporting system, check on plan progress, and develop methods of evaluating project execution. This team's function was to cooperate on the closest terms with the NEDB and the Budget Bureau in project execution evaluation, as well as to supervise other departments and agencies in reporting the projects under their responsibility. Since the Thai ministries, departments, and even divisions, and other operating agencies functioned substantively in

semiauthority, the administrative system suffered from the lack of cooperation and coordination among them.

In inducing the private sector for development, the Board of Investment was created in 1960 to supervise government regulations and other means of incentives for attracting investors. However, it was very difficult to encourage private investors in development because of lack of adequate guidelines, providing research and information as well as programming systems. In addition, the Thai political instability made private investors reluctant to engage in industrial development.

Underlying Philosophy of the Economic Development Plans

The Thai government is committed to promoting formal economic development planning since 1961. A six-year development plan, covering the period 1961-66, was produced by the NEDB for the first time; and it was broken into three-year segments, 1961-63 and 1964-66. The development plan was a brief and rudimentary document, with a limited statistical basis, prepared under a forced draft by a small and inexperienced Thai staff. The plan indicated the Thai economic development objectives, strategies, and growth targets; however, it was indeed little more than a collection of public development projects, although it did attempt to relate these projects to the established development objectives. A few improvements

were prepared with greater care and rested on a somewhat stronger base in the revision of the second phase of the plan. An attempt had been made to overcome some of the basic deficiencies in the original plan, notably the broadening of the public sector to include state enterprises and local government budgets, articulation of development objectives in a more comprehensive and clearer manner, and inclusion of sources of financing economic development and some consideration of prospective development.

Owing to the experience already gained and the wider availability of basic data for development planning, further improvements were reflected in the second development plan, covering the five-year period 1967-71. The scope of the plan was broadened to include the emphasis on the private sector in economic development and some aspects of manpower. At the same time, local and regional development expenditures were introduced into the plan with some special projects in rural areas, particularly those in remote areas. Comparatively, the scope of the second development plan was more comprehensive than the first one. However, the central part of the two development plans was focus on the estimation of public sectoral development expenditures; whereas, there was no articulation in the estimation of the private sectoral development programs.

Established Development Objectives and Strategies

In view of the main conceptual framework of the past two development plans of Thailand which reflect an effort of the government, a number of economic development strategies were established to achieve certain specific growth targets within a stated period of time. These development strategies and objectives may be summarized in the following discussion.

If the established development objectives, stated in Chapter I, are carefully observed, the special characteristics are, of course, the emphasis on rapid economic development and the well-being, both material and spiritual, of the population despite the political uncertainty of the country and of Southeast Asia. More precisely, well-being was interpreted in terms of the equitable distribution of benefits of economic growth from such development. A number of basic development strategies were delineated for realizing the development objectives by maintaining a stable monetary environment, making more effective use of the substantial investment in national infrastructure, strengthening the efficiency and growth of the private sector and particularly manufacturing industries, building up the agricultural base of the economy, improving the nation's human resources at all levels, and promoting regional development.

Viewing these basic development strategies as the Thai economic philosophy, the development plans demonstrated that the Thai government sought fiscal caution for budgetary soundness of development as well as for maintenance of currency stability. At the same time, the government intended to make direct investments only in the social overhead capital areas such as transportation and communication, irrigation, power, public health and education, and research; and to stimulate the private entrepreneurial activity in agriculture, commerce, and manufacturing industries; as well as to develop the promotion of manpower. However, these development strategies were not deliberately integrated. Some serious thought about these problems is essential as a guideline to both of the private sector and government itself in Thai development planning.

In terms of the promotion of regional development, development strategy was emphasized in terms of social and political stability instead of regionally balanced economic growth, with special projects in rural areas. The formal urban and regional development plans were not integrated into national development plans with a view to allocating resources on the basis of comparative advantages, in terms of natural resources and ecosystems.

Established Development Targets

Following the establishment of development objectives and strategies, the development growth targets or authentic development objectives of the past two development plans were thought to be achieved at the 1962 constant prices. As shown in Table 3.1, the overall growth rates of the output (GDP) were expected to reach at 7.3 percent per annum for the first plan and 8.5 percent per annum for the second plan. Meanwhile, the growth rates of output of all industrial sectors--agriculture, mining and quarrying, manufacturing, construction, power, transportation and communications, commerce, and social services--were also decided. The agricultural sector included crops, livestock, fisheries, and forestry. Social services were composed of banking and business, ownership of dwellings, public administration and defense, and other services that were not appropriately classified, such as education, public health, recreation and entertainment. As indicated in Table 3.1, agricultural growth rates were expected to grow slowly at 4.6 and 4.3 percent per annum in the first and second development plans respectively. On the contrary, the growth rates of the power sector were among the highest, approximately 18.0 percent per annum for the first plan and also for the second plan. Other sectoral growth rates of output were expected to have moderate gains in both development plans.

Table 3.1--Annual Average Growth Rates of Output (GDP) and Targets, at 1962 Prices, by Industrial Sectors

Time / Industrial Sectors	First Development Plan				Second Development Plan			
	First Phase 1961-63	Second Phase 1964-66	1961-66	Targets 1961-66	1967-69	1970-71	1967-71	Targets 1967-71
Agriculture	6.5	6.2	6.4	4.6	3.8	4.0	3.9	4.3
Crops	6.8	6.4	6.6	5.4	1.6	3.5	2.4	4.4
Livestock	2.5	3.5	3.0	2.4	3.0	10.3	5.9	5.0
Fisheries	19.5	16.3	17.9	4.0	22.7	7.2	16.5	4.7
Forestry	4.0	3.1	3.5	1.9	8.8	0.2	5.4	2.0
Mining & Quarrying	9.9	20.7	15.3	10.9	10.5	2.0	7.1	6.6
Manufacturing	10.3	12.1	11.2	10.2	10.2	12.1	11.0	10.9
Construction	9.9	15.8	12.9	12.3	10.8	-6.0	4.1	11.4
Power & Water Supply	17.7	28.0	22.9	18.2	20.8	38.6	27.9	18.0
Transport & Comm.	4.4	7.9	6.1	9.0	8.3	4.8	6.9	11.0
Commerce	7.2	9.1	8.2	8.0	10.0	10.3	10.1	8.4
Social Services	6.8	8.3	7.6	7.4	10.7	7.2	9.2	11.2
Banking & Business	14.1	17.6	15.8	16.6	16.3	13.7	15.3	17.0
Own. of Dwellings	2.8	3.3	3.0	3.7	4.2	4.4	4.3	5.0
Public Admin.	6.5	4.3	5.4	7.2	10.4	8.9	9.8	12.0
Services	6.5	9.3	7.9	6.0	9.5	7.7	8.8	9.5
Total GDP	7.3	8.9	8.1	7.3	8.0	7.3	7.7	8.5

Source: Computed from original data, National Accounts Division, NEDB.

In the meantime, the estimated capacity of capital investments, which were expected to yield the previous growth rates of the overall output in development, were calculated to be approximately 19 percent of the total GDP during the first plan period and to increase to 23 percent during the second plan period.[1] In terms of the pattern of capital investment allocation, the development plans did seek to allocate capital investment outlays of the public sector in different industrial sectors only; whereas, the estimated outlays of the private sector's capital investments were missing from both plans. As shown in Table 3.2, the capital investments of the government were concentrated in economic infrastructures, as evidenced by the development strategy of the development plans in these sectors: agriculture, transportation and communications, power, community facilities and welfare, public health, education, and including special programs as well as industry and mining. However, most of the capital investments were allocated to transportation, which accounted for 26.1 percent in the first plan and increased to 29.7 percent in the second plan. The agricultural, power, and community facility and welfare sectors had a substantial distribution of the total capital investment allocation; and the rest were varied in distribution, having a small proportion.

Table 3.2--Percentage Distribution of Public Capital Investments at 1962 Prices

Time / Investment Sectors	1st Development Plan (DP)			2nd DP
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
Agriculture	13.5	14.1	13.9	19.8
Industry & Mining	10.3	7.1	8.3	1.6
Transport & Comm.	25.8	26.3	26.1	29.7
Power	19.6	15.1	16.8	8.6
Commerce	--	--	--	0.3
Social Services	30.8	37.3	34.9	40.0
Community Facil. & Welfare	17.8	20.8	19.7	17.8
Public Health	3.1	4.2	3.8	4.5
Education	4.8	9.0	7.4	11.5
Special Programs	5.1	3.3	4.0	6.2
Total	100.0	100.0	100.0	100.0

Source: Computed from Table A.1.

Results of the Economic Development Plans

Overall Performance

In measurements of the performance of the past two development plans (1961-66 and 1967-71), Table 3.1 is provided to show comparative growth rates per annum between the development growth targets and real output (GDP), by industrial sectors as well as for the nation as a whole. As indicated by the tabulation, the average growth rates of the total GDP were 7.3 and 8.9 percent per annum of the first and second phase of the first plan respectively. These resulted in making the average growth rate about 8.1 percent per annum during the first plan period, and surpassed the envisaged growth target of the plan (7.3 percent per annum). In the meantime, the average growth rate decreased to 7.7 percent per annum during the second plan period, and fell slightly short of the designated growth target of the plan (8.5 percent per annum).

The failure of the performance of the second plan was due in part to the severe droughts in 1967 and 1970, which resulted in a sharp decrease in agricultural production. Since the agricultural sector was very large, the decrease in agricultural output led to a decline in the total growth rate of the economy. Another reason was that the government expected to rely on the assumption that the dynamic factors stimulating economic growth during the first plan would increase in strength during the second

plan. In this connection, the irrigation system had, at least, not been adequately effective.

In measurements of the capital investment and output (GDP) relationship of the past two development plans of Thailand, Table 3.3 is provided to show the percentage distribution of the capital investment in the GDP over time. As indicated in the tabulation, the percentage distribution of capital investment in the GDP was approximately 18.6 percent compared to 19.0 percent of the expected growth target during the first plan period, but the growth rate of the overall GDP surpassed the established growth target. This roughly implied that the relationship between capital investment, as the instrument, and output was relatively effective without regard to other economic forces. On the contrary, the capital investment distribution in GDP was about 24.8 percent compared to the estimated growth target of 23.0 percent during the second plan period. However, the growth rate of the overall output was below the established growth target. Given other factors to be constant, capital investment was relatively ineffective in generating economic growth. This was partially due to some capital investments in transportation and community facilities projected to have a long-term payoff beyond the plan period. Otherwise there was unresponsiveness to such a development planning.

Table 3.3--Percentage Distribution of Gross Fixed Capital Formation (GFCF) in GDP, at 1962 Prices, by Regions

Region \ Time	1st Development Plan (DP)			2nd DP
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
GBM	23.3	29.0	26.6	33.3
North	12.6	16.0	14.5	20.7
Northeast	12.6	19.3	16.3	23.6
Central	14.0	17.8	16.1	20.9
South	13.4	15.6	14.6	18.5
Nation	15.9	20.8	18.6	24.8

Source: Computed from Table C.1 to Table C.6, and Table A.2.

The private sector's capital investment constituted about 67.6 percent of the total national capital investment for the first plan period, and increased to only 68.0 percent for the second plan period, as evidenced from the tabulation shown in Table 3.4. This would reflect the promotion of strengthening private entrepreneurial activities and would not change strikingly in a decade. This will be a serious problem in future economic development if some basic changes for a more deliberate promotion of this development strategy are not adequately sought.

Sectoral Performance

Regarding the performance of the past two development plans by industrial sectors, almost all industrial sectors managed to meet the established growth targets during the first plan period, as shown in Table 3.1, except transportation and communications, banking and business, ownership of dwellings, and public administration and defense. During the second plan period, there were more industrial sectors which failed to achieve the established growth targets, such as agriculture, construction, including transportation and communications, as well as all subsectors of social services. Comparatively, had the second plan been a stronger base than the first one in general, the results of the performance would have been better. However, this is not entirely true in the case of

Table 3.4--Percentage Distribution of GFCF at 1962 Prices by Industrial Sectors and Regions

Region	Time / Major Investment Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
GBM	Public	11.0	11.1	11.1	10.8
	Private	28.1	28.8	28.4	30.1
	Total	39.1	39.9	39.5	40.9
North	Public	4.2	4.2	4.2	4.5
	Private	8.1	7.6	7.9	8.2
	Total	12.3	11.8	12.1	12.7
Northeast	Public	4.8	5.8	5.3	5.7
	Private	9.0	10.1	9.6	9.6
	Total	13.8	15.9	14.9	15.3
Central	Public	7.9	8.0	8.0	7.6
	Private	15.2	14.3	14.7	13.8
	Total	23.1	22.3	22.7	21.4
South	Public	4.0	3.7	3.8	3.4
	Private	7.7	6.4	7.1	6.3
	Total	11.7	10.1	10.9	9.7
Nation	Public	32.1	32.8	32.4	32.0
	Private	67.9	67.2	67.6	68.0
	Grand Total	100.0	100.0	100.0	100.0

Source: Computed from Table A.2.

Thailand. In view of this situation, there would be some factors of economic influence which governed the economic growth that were not realized in the development planning process.

Table 3.5 shows the percentage distribution of output by industrial sectors. Agriculture was the largest sector, constituting approximately 35.9 percent in the total output distribution during the first plan period, and decreasing to 29.6 percent during the second plan period. This indicated that agricultural output was gradually declined during the entire period of the past two development plans. Because of an overwhelming dependence on export, whose demand and prices were determined by world market conditions, this made important agricultural products, particularly rice, rubber, teak, fish, and livestock subject to wide fluctuations.

Although livestock, forestry, and particularly fisheries had good progress in achieving the established growth targets, these subsectors constituted only 20 and 30 percent of the total agricultural output during the first and second plan periods respectively. Together with changing conditions of the weather and world market, these decreased the growth rate of crops, which constituted the largest share of agricultural output as well as national output, and failed to meet the expected target. This in

Table 3.5--Percentage Distribution of GDP at 1962 Prices by Industrial Sectors

Industrial Sectors \ Time	1st Development Plan			2nd Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agriculture	37.3	34.6	35.95	30.5	28.3	29.6
Crops	27.7	25.5	26.55	21.4	19.6	20.7
Livestock	4.9	4.2	4.55	3.6	3.7	3.6
Fisheries	1.6	2.1	1.85	2.7	3.1	2.9
Forestry	3.1	2.9	3.0	2.6	2.0	2.4
Mining & Quarrying	1.2	1.5	1.4	1.7	2.1	1.9
Manufacturing	14.0	15.2	14.6	16.2	16.6	16.4
Construction	5.0	5.9	5.45	7.0	5.6	6.4
Power & Water Supply	0.6	0.8	0.7	1.2	1.3	1.2
Transportation & Communication	7.1	7.0	7.1	6.8	6.3	6.6
Commerce (Wholesale & Retail)	15.7	16.1	15.9	16.8	18.6	17.5
Social Services	20.1	19.9	20.0	19.8	21.5	20.5
Banking & Business	2.3	2.7	2.5	3.5	4.2	3.8
Ownerships of Dwellings	2.7	2.3	2.5	2.0	2.2	2.0
Public Admin. & Defense	4.5	4.3	4.4	4.2	4.6	4.4
Other Services	9.6	9.6	9.6	10.1	10.5	10.3
Total GDP	100	100	100	100	100	100

Source: Computed from Table C.1.

turn affected the progress of agricultural output as a whole, particularly for the second plan period.

Mining and quarrying made good progress in achieving the established growth targets during the past two development plan periods. The major sources of this sectoral output were tin, wolfram, gypsum, and other non-metallic resources. Tin was the most important source, constituting more than 50 percent of this sectoral output. Nevertheless, the sector was very small, accounting for less than 2 percent of the national output, and depended on the world market for exportation.

In the meantime, the manufacturing sector, which constituted approximately 15.0 percent of the national output, managed to meet the established growth targets in both development plans. Most of the activities in manufacturing establishments depended, to a large extent, on agricultural production and the increasing demand for consumer and capital goods. This was partially due to the incentive promotion policies of the government, granted through the Board of Investment, in terms of tax reductions, relaxation of import and export restrictions, freedom to repatriate capital for the private sector. These industries which contributed to this sectoral output were related to food, beverage, tobacco, textile, petroleum, cement products, transportation equipment, electrical machinery, and other

chemical products and furniture as well as nonmetallic products.

The construction sector was very small, constituting less than 7 percent of the national output in both plans. Because of the decline in military construction expenditures, especially in connection with the United States military expenditures, the growth rate of this sector failed to meet the envisaged growth target during the second plan period. However, the increased construction of commercial buildings, industrial plants, and buildings for services was the main factor in maintaining the output of this sector during the past two plan periods.

The power and water supply sector had the highest growth rates with approximately 23 and 28 percent per annum during the first and second plan periods respectively, surpassing the expected targets, but the output of this sector was approximately 1 percent of the national output in both plans. The high growth rates were the result of the completion of Bhumibol Dam in the Northern region, which supplied the electricity to the entire country. At the same time, the Metropolitan Water Supply Authority of the GBM and the Provincial Water Supply Authorities in the country were expanded. However, most of the power went to private homes, the incentive for bringing power to new industries being rather small. Another important aspect was

that most of the dams, including Bhumibol Dam, were built to supply electricity. Water distribution for irrigation in agriculture was not provided.

Transportation and communications were a critical problem in Thailand. There is no denying that efficient and cheap transportation and communications are important for the smooth running of economy and for lowering costs for individual enterprises. Although this sectoral output constituted approximately 7 percent of the national output in both plans, the growth rates failed to reach the envisaged growth targets. Therefore, the primafacie assumption that the investments in transportation and communications would bring about development remained to be demonstrated in the case of Thailand. This was due to the increasing operating and maintaining costs of the transportation system of the country, which were not recouped. However, the improvement of the communication system in postal, telegraphic, and telephone services in the country resulted in maintaining the output growth of this sector during the past two development plan periods.

The sector of wholesale and retail trade was very important, constituting an output of about 16 and 18 percent in national output distribution during the first and second plan period respectively. The growth rates were slightly higher than the expected growth targets in both plans. The factors which supported this sectoral output

growth were the combination of the growth in mining, manufacturing, tourism, agriculture, and imports.

The second largest sector next to agriculture is social services, which is composed of banking and business, ownership of dwellings, public administration and defense, and other miscellaneous services, constituting an output of approximately 20 percent in the national output distribution of both plans. This sectoral output met the established growth targets during the first plan period, despite most subsectors felling slightly short of their expected targets with the exception of other services. The output of this sector failed to meet the envisaged growth target during the second plan period. This was due to the slow growth and expansion of trade, industry, agriculture, and income of the people.

Comparative Performance

In comparative analysis of economic development between the GBM and the other four regions of Thailand, measurement will be made against the hypothesis as given in Chapter I. These measurements are concerned with the pattern of the allocation of the capital investment and current expenditures of municipalities; with the pattern of economic growth and income distribution; with the pattern of labor productivity; and with the pattern of the structural transformation of economic production.

Pattern of the allocation of resources

Capital investment formation. As shown in Tables 3.3, 3.4, and 3.6, the tabulations indicate that the GBM alone constituted approximately 40 percent of the total capital formation of the country during the first and second development plan periods, compared to only 10 percent of the Southern region, 13 percent of the Northern region, 15 percent of the Northeastern region, and 22 percent of the Central region. In the meantime, the GBM led all other regions in constituting the most favorable distribution of the capital investment in the GDP, which accounted for 27 percent and 33 percent for the first and second plan periods respectively; whereas, all regions constituted less than the national averages of both plan periods (18.6 percent for the first plan period and 24.8 percent for the second plan period). Moreover, the GBM also led all regions in sharing capital formation per capita per annum, which was greater than 5 times the national average for the first plan period, and greater than 4 times the national average during the second plan period. The capital formation per capita per annum of the rest of the country was less than the national average in both plan periods, especially the Northern and Northeastern regions, which accounted for only 43 and 56 percent of the national average capital formation per capita per annum respectively.

Table 3.6--GFCF per Capita per Annum at 1962 Prices by Regions (Amounts in Baht)

Region	Time / Major Investment Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
GBM	Public & Private GFCF	2,096	2,834	2,465	4,047
North	Public & Private GFCF	211	301	256	487
Northeast	Public & Private GFCF	149	255	202	368
Central	Public & Private GFCF	351	529	440	800
South	Public & Private GFCF	347	442	395	654
Nation	Public & Private GFCF	372	554	463	856

Source: Computed from GFCF and Population Tabulations (Table A.2 and Table D.1).

It is not surprising that the pattern of the allocation of capital investments was overwhelmingly concentrated in the GBM. Given other economic factors in development to be equal, the GBM would have much more benefit of economic growth distribution than other parts of the country. Regarding the pattern of the private sector and its distribution, a similar pattern of development was concentrated in the GBM besides the public sector. Given the dire needs for such developmental services throughout the country, the allocation pattern and the development strategy of stimulating the private sector in economic development can perhaps only be explained by the government disregarding responsibility to other local and regional conditions and requirements.

Current expenditures. Table 3.7 shows the percentage distribution of municipal expenditure and revenue of the GBM and each region's municipalities. The GBM expenditure was over 56.0 percent of the total national figure in both periods of the plans, compared to the 10.0 percent of those municipalities in the Northern, Northeastern, and Southern region. At the same time, it was obvious that all of the municipal expenditure per capita were less than the municipal revenue per capita as shown in Table 3.8. In addition, the municipal expenditure per capita per annum of the GBM was the highest compared to

Table 3.7--Percentage Distribution of Municipal Revenues and Expenditures by Regions

Region	Time / Expenditure	1961-63	1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Revenue	52.0	61.5	58.7	56.4	57.9	55.7
	Expenditure	60.5	56.9	58.2	53.7	56.8	56.5
North	Revenue	11.4	9.3	9.9	10.1	8.7	9.5
	Expenditure	9.2	10.3	9.9	9.6	8.6	9.2
Northeast	Revenue	7.4	7.1	7.2	11.0	9.0	8.7
	Expenditure	6.4	7.7	7.3	9.0	9.2	9.1
Central	Revenue	18.6	12.7	14.4	16.7	14.1	15.5
	Expenditure	13.7	15.5	14.9	15.2	15.3	15.3
South	Revenue	12.5	9.4	10.4	10.8	10.3	10.6
	Expenditure	10.2	9.6	9.8	9.8	11.5	10.0
Nation	Revenue	100.0	100.0	100.0	100.0	100.0	100.0
	Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from Table B.1.

Table 3.8--Municipal Revenue and Expenditure per Capita per Annum by Regions
(Amounts in Baht)

Region	Time / Expenditure	1961-63	1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Revenue	120	275	198	202	229	213
	Expenditure	128	197	163	190	180	186
North	Revenue	128	218	173	194	194	194
	Expenditure	94	181	138	165	150	159
Northeast	Revenue	96	182	139	172	206	186
	Expenditure	76	149	113	165	165	165
Central	Revenue	137	195	166	196	201	198
	Expenditure	92	180	136	171	170	171
South	Revenue	153	232	193	207	223	213
	Expenditure	114	175	151	169	174	171
Nation	Revenue	123	239	195	193	219	203
	Expenditure	112	185	149	173	172	173

Source: Computed from Table B.1 and Population Tabulations (Table D.1).

that of each region and less than the national average during the past two development plan periods, as shown in Table 3.8. This implied that the primacy of the GBM in the urbanization created the highest cost in general urban management with a very large proportion of the national municipal expenditure, subsidized by the central government.

At the same time, all of municipal revenues which were collected by the central government which were more than municipal expenditures were reallocated by the central government. Thus fiscal administration in municipal governments as well as in all local self-governments was marked by virtually complete central government control. Most of the dissatisfaction encountered among municipal officials in Thailand was not with the fact of the national central subsidy, but rather with the size of the national subsidy. Thus municipal programs became distorted and fluctuated from an excessive dependence on the central government for the funds to support even minimal programs. A similar pattern was related to all local self-governments in Thailand. Therefore it was impossible for the municipalities and other types of the public local authority to become self governing as long as the utter dependence on the national treasury could not be reduced.

Pattern of benefits of economic growth distribution

Economic production distribution. As shown in Table 3.9, the tabulation indicates that almost every regional economy, with the exception of the Southern region, achieved the established growth target of output during the first plan period, as well as the GBM's economy. However, only the GBM's economy managed to meet the established growth target of output during the second plan period. The GBM led all regions of the country in generating the highest growth rates of the economy, about 9.0 percent per annum in both periods of the past two plans, compared to only 6.6 percent per annum of the Southern region for the first plan period, and 5.7 percent per annum of the Northeastern region for the second plan period.

Table 3.10 shows the output (GDP) distribution of the GBM and the other four regions in national GDP. The GBM constituted approximately 30 percent of the national output in both periods of the two plans, compared to only 13.0 percent of the Southern region, 16.0 percent of the Northeastern region, 15.0 percent of the Northern region, and 26.0 percent of the Central region. It was obvious that the GBM dominated all other regions in producing the output of the economy. In the meantime, the GBM led all regions in attaining output per capita per annum, with

Table 3.9--Annual Average Growth Rates of GDP at 1962 Prices by Regions

Region	Time / Major Industrial Sectors	1st Development Plan			2nd Development Plan		
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Agriculture	6.6	5.0	5.8	1.6	-7.1	-3.8
	Nonagriculture	6.7	11.3	9.0	10.2	7.7	9.2
	GDP	6.8	11.2	9.0	10.2	7.7	9.2
North	Agriculture	5.5	8.8	7.2	6.6	2.7	5.0
	Nonagriculture	7.5	8.8	8.2	8.6	9.9	9.2
	GDP	6.5	8.8	7.7	7.6	6.3	7.1
North-east	Agriculture	7.3	7.0	7.1	1.0	5.0	2.6
	Nonagriculture	10.7	10.6	10.7	8.6	9.0	8.8
	GDP	9.0	8.8	8.9	4.8	7.0	5.7
Central	Agriculture	6.3	3.8	5.1	4.5	5.0	4.6
	Nonagriculture	9.3	11.2	10.3	11.7	6.0	9.4
	GDP	7.8	7.5	7.7	8.1	5.5	7.0
South	Agriculture	5.5	6.8	6.2	9.9	4.0	7.5
	Nonagriculture	6.1	7.8	7.0	7.1	7.8	7.3
	GDP	5.8	7.3	6.6	8.5	5.9	7.4
Nation	Agriculture	8.9	7.3	8.1	6.2	6.9	6.4
	Nonagriculture	5.7	10.5	8.1	9.8	7.7	9.0
	GDP (Grand Total)	7.3	8.9	8.1	8.0	7.3	7.7

Source: Computed from original data, National Accounts Division, NEDB.

Table 3.10--Percentage Distribution of GDP at 1962 Prices by Regions

Region	Time / Major Industrial Sectors	1st Development Plan			2nd Development Plan		
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Agriculture	0.10	0.10	0.10	0.10	0.10	0.10
	Nonagriculture	28.4	28.4	28.4	29.9	30.9	30.3
	Total GDP	28.5	28.5	28.5	30.0	31.0	30.4
North	Agriculture	8.0	7.9	7.9	7.8	7.2	7.5
	Nonagriculture	7.5	7.4	7.5	7.5	7.9	7.7
	Total GDP	15.5	15.3	15.4	15.3	15.1	15.2
North east	Agriculture	10.0	9.2	9.6	7.8	7.6	7.7
	Nonagriculture	7.5	7.9	7.7	8.2	8.4	8.3
	Total GDP	17.5	17.1	17.3	16.0	16.0	16.0
Central	Agriculture	13.1	11.6	12.4	9.8	9.3	9.6
	Nonagriculture	13.3	14.3	13.8	15.8	15.8	15.8
	Total GDP	26.4	25.9	26.2	25.6	25.1	25.4
South	Agriculture	6.2	5.9	6.1	5.9	5.7	5.8
	Nonagriculture	7.7	7.3	7.5	7.2	7.1	7.2
	Total GDP	13.9	13.2	13.6	13.1	12.8	13.0
Nation	Agriculture	37.2	34.6	35.9	31.3	29.9	30.7
	Nonagriculture	62.8	65.4	64.1	68.7	70.1	69.3
	Grand Total GDP	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from the GDP Tabulations (Tables C.1 to C.6).

almost four times of the national average during the past two plan periods. The Northern and Northeastern regions had very low outputs per capita per annum, distinctively below the national average, particularly the Northeastern region, which accounted for about 50 percent of the national average. However, the output per capita per annum, of the Central and Southern regions was slightly over the national average. These figures are summarized in Table 3.11.

If there were a correlation of capital investment to output of economic development, it would not be surprising that the pattern of allocation of capital invetments by the government would tend to create the concentration of the economic growth distribution in the GBM and would create a substantial disparity of the economic growth distribution between regions of the country and the GBM.

Family and personal income* distribution. In view of the average personal income per annum in the country, as shown in Table 3.12, there was a pronounced disparity between the GBM and urban areas (municipalities) of other regions in 1963, 1968, and 1971. The personal income of the people in the GBM was more than two times the national average compared to that of each region's urban areas, which were less than two times the national average,

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*Family and personal income are referred to money and nonmoney income.

Table 3.11--GDP per Capita per Annum at 1962 Prices by Regions
(Amounts in Baht)

Region \ Time	1st Development Plan			2nd Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
GBM	9,005	9,760	9,384	11,141	12,870	12,141
North	1,667	1,871	1,773	2,199	2,507	2,354
Northeast	1,186	1,318	1,263	1,443	1,656	1,556
Central	2,538	2,990	2,743	3,583	4,090	3,824
South	2,532	2,828	2,712	3,316	3,741	3,540
Nation	2,330	2,666	2,558	3,210	3,612	3,455

Source: Computed from GDP and Population Tabulations (Tables C.1 to C.6 and Table D.1).

Table 3.12--Money and Nonmoney Income per Capita per Annum by Regions at 1962 Prices (Amounts in Baht)

Region \ Time	1963	1968	1971
Bangkok and Thon-Buri Municipalities (GBM)	3,398	5,354	5,611
North:			
Municipalities	2,032	4,162	4,278
Nonmunicipalities	994	1,343	1,671
Northeast:			
Municipalities	2,503	4,231	4,539
Nonmunicipalities	891	920	776
Central:			
Municipalities	2,574	4,293	4,959
Nonmunicipalities	1,576	2,254	2,539
South:			
Municipalities	2,708	4,121	4,743
Nonmunicipalities	1,408	1,447	1,670
National Total	1,470	2,232	2,573

Source: Computed from Table 3.13.

particularly in the Northern region. The personal income disparity was more pronounced between the urban areas and rural areas (nonmunicipalities) of the country. For examples, the ratio of the GBM to the Northeastern rural areas, in terms of the average personal income, was approximately 4:1 (3,398 baht to 891 baht) in 1963, and increased to 7:1 (5,611 baht to 776 baht) in 1971. A similar pattern of the inequity prevailed in family income distribution among regions of Thailand as indicated in Table 3.13.

Table 3.14 through Table 3.16 show family income distribution by classes and by regions of the country. The annual average income of the nation is applied as a class midpoint of each year for comparisons. In this way, the class midpoint of 1963 income lies between the range of 6,000 to 11,999 baht; and the class midpoints of 1968 and 1971 income classes lie between the range of 12,000 to 17,999 baht.

As indicated in these tables, almost 70 percent of the income classes of the country were below the class midpoint, especially those of 48.4 percent of the country which were under the 3,000 baht class, whereas only 19.5 percent were in the average class. The rest of the income classes, which accounted for 11.3 percent, were above the average class. A similar pattern of income class distribution was more pronounced in the rural areas, particularly

Table 3.13--Money and Nonmoney Income per Family per Annum by Regions at 1962 Prices (Amounts in Baht)

Region \ Time	1963		1968		1971	
Bangkok and Thon-Buri Municipalities (GBM)	18,690	(5.5)*	33,193	(6.2)	33,102	(5.9)
North:						
Municipalities	10,362	(5.1)	20,812	(5.0)	22,245	(5.2)
Nonmunicipalities	5,267	(5.3)	7,520	(5.6)	9,360	(5.6)
Northeast:						
Municipalities	13,517	(5.4)	24,962	(5.9)	28,141	(6.2)
Nonmunicipalities	5,259	(5.9)	5,522	(6.0)	4,886	(6.3)
Central:						
Municipalities	13,641	(5.3)	23,611	(5.5)	26,780	(5.4)
Nonmunicipalities	8,828	(5.6)	12,625	(5.6)	14,221	(5.6)
South:						
Municipalities	15,163	(5.6)	23,079	(5.6)	26,086	(5.5)
Nonmunicipalities	7,320	(5.2)	7,671	(5.3)	9,187	(5.5)
National:						
Municipalities and Nonmunicipalities	8,232	(5.6)	12,715	(5.7)	14,921	(5.8)

* Figures in parentheses indicate family size.

Source: National Statistical Office; Household Expenditures Survey, 1965, 1970, and 1973.

Table 3.14--Percentage Distribution of Families by Income Classes and by Regions, 1963 (1962 Prices)

Regions	Total Percent	Income Classes (Baht)									
		Under 3,000	3,000-5,999	6,000-11,999	12,000-17,999	18,000-23,999	24,000-29,999	30,000-35,999	36,000-47,999	48,000-59,999	60,000 & over
Nation	100.0	48.4	20.8	19.5	←			11.3			→
GBM	100.0	4.8	15.0	31.7	17.4	10.3	5.5	4.0	3.8	2.2	5.3
Municipalities	100.0	17.7	18.7	34.2	14.7	5.8	2.7	2.2	1.7	0.9	1.4
North	100.0	33.4	19.8	27.0	10.4	3.3	1.8	0.6	1.8	0.8	1.1
Northeast	100.0	16.8	19.9	32.5	14.7	6.4	2.7	2.8	1.9	0.9	1.6
Central	100.0	12.4	18.4	39.1	14.3	6.5	3.2	2.8	1.7	0.9	1.1
South	100.0	9.3	16.3	34.6	21.4	8.7	2.6	2.2	1.7	1.5	1.7
Nonmunicipalities	100.0	56.7	21.6	16.2	3.4	1.2	0.3	0.2	0.2	0.1	0.1
North	100.0	63.9	20.2	13.0	2.1	0.3	0.1	0.1	0.1	—	0.1
Northeast	100.0	78.5	11.2	8.2	1.3	0.5	0.1	0.1	0.2	--	0.1
Central	100.0	31.1	30.6	27.6	7.0	2.8	0.7	0.1	0.4	0.3	0.2
South	100.0	35.5	33.7	22.8	4.3	1.9	0.7	0.4	0.2	0.3	0.2

Source: National Statistical Office, Household Expenditure Survey, 1965.

Table 3.15--Percentage Distribution of Families by Income Classes and by Regions, 1968 (1962 Prices)

Regions	Total Percent	Income Classes (Baht)									
		Under 3,000	3,000-5,999	6,000-11,999	12,000-17,999	18,000-23,999	24,000-29,999	30,000-35,999	36,000-47,999	48,000-59,999	60,000- & over
Nation	100.0	24.1	23.8	25.9	11.4	←		14.8			→
GBM	100.0	0.5	1.2	13.3	20.0	19.8	12.4	7.9	9.0	5.6	10.4
Municipalities	100.0	1.3	6.9	24.3	21.8	16.6	9.2	5.5	5.3	3.3	5.6
North	100.0	1.5	12.5	29.0	18.8	14.8	5.4	5.3	7.1	1.1	4.8
Northeast	100.0	1.4	3.7	21.8	20.9	19.5	10.3	6.1	4.2	5.0	6.2
Central	100.0	1.2	5.0	17.9	25.6	18.2	12.3	5.3	4.8	3.4	6.3
South	100.0	1.2	6.4	28.4	22.0	14.0	8.8	5.4	5.1	3.8	5.0
Nonmunicipalities	100.0	23.7	28.8	29.5	10.0		6.4			2.0	
North	100.0	18.4	34.3	30.1	11.0		5.5			0.8	
Northeast	100.0	52.1	22.9	15.8	4.7		3.4			1.1	
Central	100.0	7.0	19.1	38.2	17.6		12.6			5.6	
South	100.0	17.2	38.7	32.7	6.8	←	4.2 →	←		0.4	→

Source: National Statistical Office, Household Expenditure Survey, 1970.

Table 3.16--Percentage Distribution of Families by Income Classes and by Regions, 1971 (1962 Prices)

Regions	Total Percent	Income Classes (Baht)									
		Under 3,000	3,000-5,999	6,000-11,999	12,000-17,999	18,000-23,999	24,000-29,999	30,000-35,999	36,000-47,999	48,000-59,999	60,000- & over
Nation	100.0	23.7	21.8	26.6	11.3	←		16.6			→
GBM	100.0	0.2	2.3	13.3	18.5	16.0	13.1	9.0	10.6	6.1	10.9
Municipalities	100.0	2.2	5.3	21.4	22.7	15.8	10.8	6.3	7.6	4.0	6.4
North	100.0	3.1	8.4	23.6	21.7	14.8	9.5	4.8	6.2	3.4	4.5
Northeast	100.0	3.4	4.9	22.3	27.5	16.4	11.4	5.3	7.4	3.9	7.5
Central	100.0	1.5	3.9	17.6	19.7	17.3	10.6	7.9	8.9	5.4	7.2
South	100.0	0.8	4.1	22.1	22.0	14.6	11.6	7.3	7.7	3.4	6.4
Nonmunicipalities	100.0	28.7	26.0	25.6	9.4		7.3			3.1	
North	100.0	35.2	28.4	22.9	6.0		5.5			2.0	
Northeast	100.0	45.5	29.2	17.4	5.0		2.0			0.9	
Central	100.0	13.8	21.1	29.8	14.8		13.7			6.8	
South	100.0	20.1	25.1	32.3	11.9	←	→	←		2.8	→

Source: National Statistical Office, Household Expenditure Survey, 1973.

those of the Northern and Northeastern regions which contained about 64 percent and 79 percent of income classes under the 3,000 baht class respectively. The pattern of the inequity of income distribution was even more pronounced between the urban areas and rural areas of the country. The GBM led all regions in constituting higher income classes, 48 percent of the income classes and only 19.8 percent under the average class; the rest about 31.7 percent, were in the average class.

The pattern of income distribution by classes, in 1968 and 1971, was similar to that of 1963. However, the tabulations show that the income class under 3,000 baht decreased to 24.1 percent in 1968 and 23.7 percent in 1971 compared to 48.4 percent in 1963. This shows that there were many low-income families who moved up the income class scale between 1968 and 1971. However, most of the benefits of income distribution accrued to the higher income classes of the country, which moved up from 11.3 percent in 1963 to 14.8 percent in 1968, and to 16.6 percent in 1971, and, in fact, these families were obviously reflected in the higher income classes in urban areas, particularly those in the GBM, as indicated in the tabulations.

Despite the government planning and development efforts, the disparity of income distribution among urban and rural areas of Thailand became wider, as evidenced by the previous discussion. In this connection,

it can be said that the people who were in the urban areas moved up in income class, particularly those in the higher income group. But it is not clear how significantly these reflect economic development during the past two plan periods. By the same token, the people who lived in the rural areas seemed very difficult to move up to or above the average class. If there was a significant correlation between income and economic growth distribution, it was not surprising that the majority of the people of the country, particularly those in the rural areas, were outside of the main streams of economic growth distribution as reflected by worsening income distribution.

Labor productivity

During the first and second development plan periods, the importance of agriculture to the national economy was marked by its labor employment, which accounted for approximately 80 percent of the total labor force, as shown in Table 3.17. The Northeastern region led all regions in agricultural employment with more than 90 percent of its total employment. In contrast, the GBM had more than 96 percent of its total labor force engaged in nonagricultural activities. Accompanied by substantial gains in such sectors of manufacturing and commerce, the Central region contained agricultural employment of about 75 percent of the total labor force of its region.

Table 3.17--Percentage Distribution of Labor Force by Regions

Region	Industrial Sector \ Time	1960	1963	1967	1970
GBM	Agriculture	3.7	2.6	2.4	1.6
	Nonagriculture	96.3	97.4	97.6	98.4
	Total	100.0	100.0	100.0	100.0
North	Agriculture	86.7	86.3	85.9	85.6
	Nonagriculture	13.3	13.7	14.1	14.4
	Total	100.0	100.0	100.0	100.0
North-east	Agriculture	93.4	92.9	92.2	91.8
	Nonagriculture	6.6	7.1	7.8	8.2
	Total	100.0	100.0	100.0	100.0
Central	Agriculture	76.3	76.1	75.6	75.2
	Nonagriculture	23.7	23.9	24.4	24.8
	Total	100.0	100.0	100.0	100.0
South	Agriculture	85.8	84.3	83.3	82.5
	Nonagriculture	14.2	15.7	16.7	17.5
	Total	100.0	100.0	100.0	100.0
Nation	Agriculture	82.3	81.7	80.8	79.3
	Nonagriculture	17.7	18.3	19.2	20.7
	Grand Total	100.0	100.0	100.0	100.0

Source: Computed from Table E.1.

Consequently, the agricultural productivity, in terms of GDP per worker, was comparatively lower than the nonagricultural one as shown in Table 3.18. As indicated in the tabulations, the agricultural productivity of all regions was overwhelmingly less than the national average labor productivity. Conversely, all regions had much more nonagricultural productivity than the national average, especially the GBM. During the first plan period, the non-agricultural productivity of the GBM was approximately 26,876 baht compared to only 1,376 baht of the Northeastern region's agricultural productivity; and these figures increased to 35,840 baht of the GBM, and to 1,552 baht of the Northeastern region. This was a similar pattern between the GBM and the other four regions of Thailand.

In this way, the other four regions of Thailand remained poor, not so much because their economies were predominantly agricultural as because agricultural productivity in the regions was very low. This low performance appeared to hinder to the economic growth of these regions during the first and second development plan periods.

Structure of economic production

Regarding the structure of economic production of the GBM and the four regions of Thailand, all regions were predominantly dominated by the agricultural sector, as shown in Table 3.19 through Table 3.21, during the past

Table 3.18--Labor Productivity (GDP per Worker) at 1962 Prices by Regions
(Amounts in Baht)

Region	Major Industrial Sectors \ Time	1st Development Plan			2nd Development Plan		
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Agriculture	3,659	4,136	3,924	4,733	5,187	4,914
	Nonagriculture	25,334	28,395	26,876	32,890	37,738	35,840
	GDP	24,647	27,801	26,220	32,317	37,200	35,217
North	Agriculture	1,914	2,244	2,083	2,663	2,876	2,775
	Nonagriculture	11,487	12,821	12,151	16,401	18,361	17,185
	GDP	3,200	3,714	3,462	4,460	5,246	4,775
North-east	Agriculture	1,319	1,428	1,376	1,454	1,650	1,552
	Nonagriculture	13,404	15,108	14,289	17,465	20,301	19,002
	GDP	2,154	2,445	2,301	2,736	3,182	2,950
Central	Agriculture	3,167	3,449	3,317	3,683	4,146	3,878
	Nonagriculture	10,429	13,524	12,000	18,323	21,364	19,720
	GDP	4,906	5,879	5,401	7,283	8,417	7,773
South	Agriculture	2,629	3,072	2,854	3,860	4,382	4,091
	Nonagriculture	18,416	19,904	19,304	22,590	26,161	24,270
	GDP	5,007	5,763	5,393	7,115	8,193	7,597
Nation	Agriculture	2,049	2,266	2,158	2,516	2,813	2,654
	Nonagriculture	15,677	18,592	17,146	22,189	25,241	24,096
	Grand Total GDP	4,509	5,315	4,918	6,432	7,676	6,930

Source: Computed from GDP and Labor Force Tabulations (Tables C.1 to C.6 and Table E.1).

Table 3.19--Percentage Distribution of Economic Production by Industrial Sectors and Regions

Region	Time / Industrial Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
Nation	Agriculture	37.3	34.6	35.9	29.6
	Mining & Quarrying	1.2	1.5	1.4	1.9
Secondary	Manufacturing	14.0	15.2	14.6	16.4
Secondary	Construction	5.0	5.9	5.5	6.4
Secondary	Power & Water Supply	0.6	0.8	0.7	1.2
Tertiary	Transport & Comm	7.1	7.0	7.1	6.6
Tertiary	Commerce	15.7	16.1	15.9	17.5
Tertiary	Social Services	20.1	19.9	20.0	20.5
	Total GDP	100.0	100.0	100.0	100.0
GBM	Agriculture	0.5	0.4	0.4	0.3
	Mining & Quarrying	--	--	--	--
Secondary	Manufacturing	22.6	24.0	23.3	26.4
Secondary	Construction	6.8	7.1	7.0	7.2
Secondary	Power & Water Supply	1.0	1.1	1.1	1.8
Tertiary	Transport & Comm	12.6	12.1	12.4	10.6
Tertiary	Commerce	26.1	25.6	25.9	22.4
Tertiary	Social Services	30.4	29.7	29.9	31.3
	Total GDP	100.0	100.0	100.0	100.0

Source: Computed from GDP Tabulations (Table C.1 and C.2).

Table 3.20--Percentage Distribution of Economic Production by Industrial Sectors and Regions

Regions	Time / Industrial Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
North	Agriculture	51.6	52.0	51.8	49.4
	Mining & Quarrying	0.4	0.7	0.5	1.5
Secondary	Manufacturing	9.9	9.6	9.8	9.0
Secondary	Construction	4.3	4.9	4.6	5.8
Secondary	Power & Water Supply	1.2	1.9	1.5	3.4
Tertiary	Transport & Comm	5.6	4.6	5.1	4.4
Tertiary	Commerce	12.9	13.1	13.0	11.1
Tertiary	Social Services	14.1	13.1	13.7	15.4
	Total GDP	100.0	100.0	100.0	100.0
Northeast	Agriculture	53.8	53.8	53.8	48.2
	Mining & Quarrying	0.2	0.4	0.3	0.7
Secondary	Manufacturing	7.4	8.1	7.8	8.9
Secondary	Construction	4.4	6.8	5.6	8.8
Secondary	Power & Water Supply	0.2	0.3	0.2	0.6
Tertiary	Transport & Comm	3.8	4.2	4.0	4.6
Tertiary	Commerce	10.4	11.0	10.7	13.5
Tertiary	Social Services	19.8	15.4	17.6	14.7
	Total GDP	100.0	100.0	100.0	100.0

Source: Computed from GDP Tabulations (Tables C.3 and C.4).

Table 3.21--Percentage Distribution of Economic Production by Industrial Sectors and Regions

Regions	Time / Industrial Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
Central	Agriculture	49.4	44.5	46.8	37.7
	Mining & Quarrying	1.3	1.8	1.6	2.1
Secondary	Manufacturing	14.7	16.9	15.8	18.4
Secondary	Construction	4.4	5.2	4.8	5.2
Secondary	Power & Water Supply	0.2	0.3	0.3	0.7
Tertiary	Transport & Comm	4.7	5.4	5.1	5.6
Tertiary	Commerce	9.8	10.5	10.2	14.7
Tertiary	Social Services	15.5	15.4	15.4	15.6
	Total GDP	100.0	100.0	100.0	100.0
South	Agriculture	44.5	44.4	44.4	44.6
	Mining & Quarrying	5.2	6.3	5.8	5.4
Secondary	Manufacturing	7.6	8.4	8.0	9.3
Secondary	Construction	4.7	4.8	4.7	4.7
Secondary	Power & Water Supply	0.2	0.5	0.4	0.8
Tertiary	Transport & Comm	6.8	5.6	6.2	4.9
Tertiary	Commerce	16.9	16.6	16.8	17.4
Tertiary	Social Service	14.1	13.4	13.7	13.1
	Total GDP	100.0	100.0	100.0	100.0

Source: Computed from GDP Tabulations (Tables C.5 and C.6).

two development plan periods. The Northern and Northeastern regions had approximately 50 percent of their economic production in agriculture; whereas the figures indicated that the Southern region had about 45 percent. This was due to very little change in the increase of nonagricultural sectors. However, the agricultural production of the Central region dropped from 46.7 percent during the first plan period, to 37.7 percent during the second plan period. Manufacturing and commercial sectors substantially grew around the GBM. The GBM led all regions in constituting almost 100 percent in nonagricultural sectors, particularly those of manufacturing, commerce, and social services; and the GBM alone was characterized by industrialization in the country.

Therefore, the GBM advanced the structural transformation of the economic production, whereas, the remaining regions showed only very modest gains in such a structural transformation, especially in the case of the Central region, and remained unchanged for the rest of the country. This in turn created very low efficiency in labor productivity, particularly in agricultural productivity in the four regions of Thailand. At the same time, the agricultural economy of the country was caught up in exportation, which was being overshadowed by the impact of price changes in the international market, and the large share of the profit went abroad, instead of remaining

within the country for domestic investment. Thus the four regions remained poorer from such development planning.

Summary and Conclusion

Thailand's economic development pattern was basically autonomous and self-sufficient, with the government playing only a minor role in the period prior to 1850. The economic strength of the country began to decline with less self-sufficiency because of political and economic pressures from European powers, particularly of Great Britain and France, after 1850. Furthermore, the economic conditions of the country were weakened after the World War II and Korean War boom. At this time, the Thai government established the NEDB with responsibility for economic development planning for improving the Thai economy. Consequently, the NEDB produced two national economic development plans with the aim of accelerating economic growth and the equity of the benefits of economic growth distribution. The first development plan covered a six-year period, 1961-66; the second covered a five-year period, 1967-71.

The general underlying philosophy of development objectives and strategies of the plans were not ideologically doctrinare, overly ambitious, nor impractical; they rather sought to be realistic, with modest yet

apparently achievable targets. The plans were, in fact, a collection of public development projects without the establishment of development programs and project priorities. The development strategies contained few new and no radical components. The government emphasized the role of private enterprise in the economy. However, the deliberate plans for guiding and controlling appropriate types of private enterprises were nonexistent. At the same time, the urban and regional development strategy for guiding comparative advantages of locations in the pattern of resources allocation was not introduced into the plans.

In this way, it was not surprising that the plans were oriented to the sectoral planning only, disregarding the equity of the benefits of economic growth distribution in relation to the allocation of resources. Together with the excessive centralization of the government system, the economic planning and development were virtually controlled downward by the central government in every phase of the administrative system. Moreover, the lack of systematic and coherent examination of relevant development policies and specific projects to ensure a well coordinated plan formulation and implementation tended to lead to many adversities of planning and development

besides the unfeasibility of the development plans themselves.

Surprisingly, Thailand made good economic progress and surpassed the expected growth target of the overall output with a growth rate of 8.1 percent per annum compared to the established one of 7.8 percent per annum during the first plan period. Unfortunately, the performance of the second plan fell short of the established growth target, 8.5 percent per annum, with a growth rate of 7.7 percent per annum, despite the improvement of the second plan.

At the same time, the results of measurements against the stated hypothesis revealed that the pattern of the allocation of the capital investment and the current expenditures of the municipalities of the country by the central government tended to overwhelmingly favor the GBM; that the benefits of economic growth distribution were concentrated in the GBM; that the structural transformation of economic production and the efficiency of productivity were dominated by the GBM. Consequently, the four regions remained poorer from such economic development planning by the Thai government; and the established development objectives were partially attained, particularly those in favor of the GBM.

During the past two development plan periods, the GBM led all regions in the capital investment of

approximately 40 percent of the total national capital investment, compared to only 10 percent of the Southern region. Menwhile, the GBM had the most favorable capital investment per capita per annum of 2,465 baht and 4,047 baht during the first and second plan periods respectively, compared to 202 baht and 368 baht of the Northeastern region. A similar pattern of the allocation of municipal current expenditures was found in favor of the GBM, constituting almost 60 percent of the total expenditures within the same period of time.

The GBM also led all regions in gaining the economic growth distribution with approximately 30 percent of the total national output (GDP) compared, for example to 13 percent for the Southern region during the previous period of time. Furthermore, the GBM produced the GDP per capita per annum which accounted for 9,384 baht for the first plan period, and increased to 12,141 baht for the second plan period, compared to 1,263 baht and 1,556 baht of the Northeastern region respectively. The pattern of family and personal income distribution was similar to that of the GDP growth distribution. More importantly, the increase of income distribution was reflected in the top income classes of the country, especially those of the GBM, during the past two plan periods.

In terms of the structural transformation of the economic production, all of the regions were predominantly

dependent on agriculture with a massive agricultural employment. For example, the Northeastern region had approximately 50 percent of agricultural production in its total GDP distribution with approximately 92 percent of the region's total labor force engaged in agricultural activities. At the same time, almost 100 percent of the GBM's GDP originated from nonagricultural sectors, particularly those of manufacturing and commerce, with the employment of about 98 percent of the total labor force related to these nonagricultural sectors. In addition, all four regions showed little change in nonagricultural sectors toward becoming industrialized, as the GBM did.

In this way, the GBM led all regions in economic productivity, particularly compared to agricultural productivity of the four regions. For example, the average labor productivity of the GBM was 26,220 baht during the first plan period, and increased to 35,217 baht during the second plan period, compared to the agricultural labor productivity of the Northeastern region of about 1,376 baht and 1,552 baht respectively. Unless there is structural transformation and increasing agricultural productivity in these regions, the economic growth will persistently slow down, and might not be adequately sustained in the future.

As evidenced by the results of measurements, the pattern of economic development and the benefits of such

a development tended to be consistent with the excessive centralization of the Thai government system, with the great concentration of power in the GBM and with the lack of the urban and regional development plans integrated into the national economic development plans. In view of these consistencies, the results of measurements are likely to support the statement of the hypothesis.

FOOTNOTES

[1]National Economic Development Board, National Economic Development Plan of Thailand, 1967-1971 (Bangkok: 1968), pp. 32-33.

CHAPTER IV

CONCEPTUAL FRAMEWORK FOR NATIONAL PLANNING FOR URBAN AND REGIONAL DEVELOPMENT

According to conventional practice, national economic development planning for any country is usually divided into two principle parts, global and sectoral.[1] In global planning, the concern is with establishing overall balances between variables such as consumption and investments, exports and imports, and the supply and demand of employment opportunities. In addition, global planning establishes national priorities for resource allocations to the broad functional sectors of the economy, such as agriculture, manufacturing, and transportation. Sectoral planning, on the other hand, working within this framework of target figures and budget constraints, is chiefly concerned with drawing up specific projects and combining them into more comprehensive programs. This two part type of economic development planning was used in Thailand during two recent development plans.

To a significant extent, the major sectors of the economy correspond to the administrative structure of the national government with its ministries and agencies, each of which is devoted to functionally specialized tasks.

They also coincide with the structure of national income accounts. This correspondence of functional sectors with administrative and accounting structures facilitates the formal integration of sectoral with global planning.

However, sectoral planning remains incomplete so long as it lacks a spatial dimension. Although the process of development by sectoral planning can increase the average growth rate of the national output (GDP) as a whole, it is a fact that each sectoral project has a definite geographic location and varying impacts on developments and levels of benefits in different parts of the nation. This variance results in the increasing concentration of the benefits of the economic growth distribution in a few locations, creating the widespread phenomena of depressed or lagging regions which grow at much slower rates than the few leading areas in the country. This constitutes the inequity of economic growth and income distribution among regions of the country, particularly in the case of Thailand. These problems can be identified as the lack of integration of urban and regional development planning into national economic development planning with a close link with the spatial dimension.

When the existence of these regional economic growth and income differences is accepted, the rational framework must be provided to strike a balance between the economic growth and income distribution in the nation and to bring

about progress. In Thailand, there is little integration in this development planning. Therefore, the recommendations of an urban and regional development strategy integrated into the national economic development planning will be a logical initial step in the planning process guiding such economic development and the equity of economic growth and income distribution in the country.

Nature of Development Strategies in the Planning Process

In systematic development planning, the strategy can be defined as a large-scale perspective with an action scheme which, if fulfilled, can lead to obtaining a specific goal in long-range planning and development.[2] In this planning, the development strategy must involve the preparation of a set of general statements of recommendations that define the direction and character of future development in relation to the established development objective and the means to achieve it. Therefore, the development strategy becomes an integral part of the development planning process, whether explicitly or implicitly expressed on the basis of any planning approach. However, only the planning process of the system planning approach will be examined to demonstrate such a purpose.

System planning is an integration of the methods of system analysis with different stages of the planning process and may be described in the following manner:

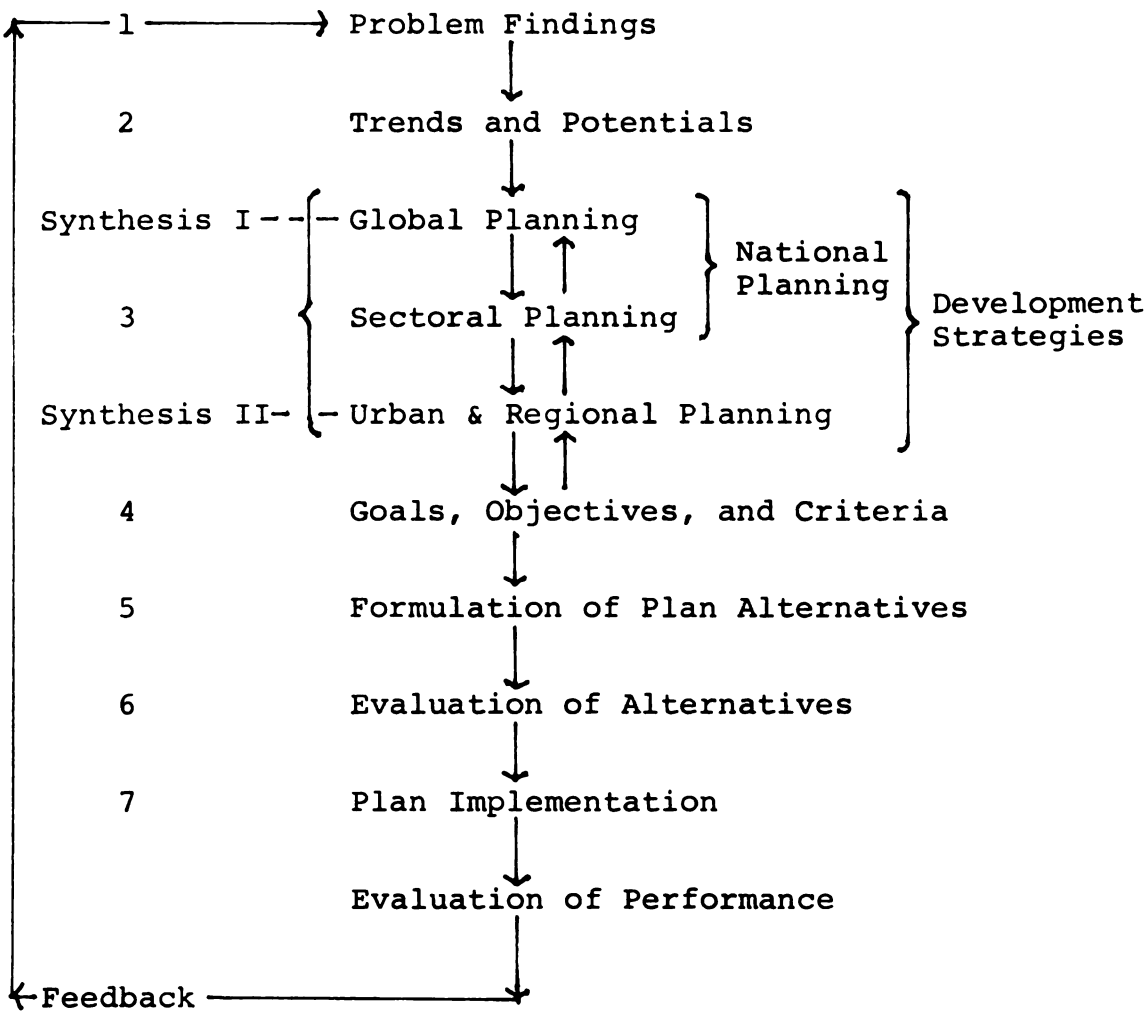
1. Definition and clarification of current and future problems and the interrelationships among problems
2. Prediction of future trends and potential conditions arising from identifiable problems
3. Identification of parameters, boundary conditions, or constraints which determine the range of possible solutions to the totality of problems
4. Determination of goals, objectives at varying levels
5. Formulation of plan alternatives
6. Evaluation of quantitative and qualitative cost-effectiveness, and simulation of alternatives in the environment of the planning system in order to understand overall performance, as well as by-products and spill-over effects
7. Recommendation of alternatives for implementation of programs.[3]

The first three stages of the planning process involve delineating the development strategy for any development planning; whereas, the formulation of a long-range plan or policies plan covers the first four stages of the planning process. The middle-range plan, or development plan formulation, starts from the first stage through the sixth stage; then the development plan extends from the sixth stage to the seventh stage, which cover all the stages of the planning process, and the short-range plan or development programs and projects are formulated for implementation. Therefore, it is

evident that development strategy is not only an integral part of the total planning process in linking the long-range plan, middle-range plan, and short-range plan into a coherent entity, but it also sets the initial stages of the series of planning to provide the basis of the entire planning process at all levels of government. This applies to the integration of an urban and regional development strategy into the national development level, which will be discussed in the following section.

The development strategy of integrating urban and regional development planning into the national economic development planning allows the overall integration of global planning, sectoral planning, and urban and regional planning in a more concrete and coherent manner as well as their relationships with the development objectives. This is shown in Figure 4.1. At a lower level of synthesis, urban and regional planning helps to bring the abstract thinking of global and sectoral planners to the ground. Because it represents a new and different level of synthesis it requires the formulation of policy objectives appropriate to its own level. The urban-regional frame provides for more than just a translation of global objectives into the language of concrete experience. Constituting a normative realm in its own right, it must be incorporated into the structure of objectives as these appear at global and sectoral levels of national planning.

Stages:



Remarks:

Stages 1-3, development strategies process

Stages 1-4, comprehensive policies plan (long-term plan)

Stages 1-6, development plan (medium-term plan)

Stages 1-7, development programs (short-term plans)

Figure 4.1--Integration of Regional Urban Development into National Development Strategies and the Planning Process

In this connection, sectoral investments and related action programs can be taken into consideration in program planning, with increasing efficiency of resource utilization and an appropriate pattern of interregional and intra-regional locations, in order to arrive at the full benefits of the development objectives due to the comparative advantages of location. Therefore, such integration leads to focus on projects and programs to an even greater extent than in sectoral planning alone. It also enhances coordinative relationships among projects and programs in particular localities by linkages, multipliers, and efficiency considerations in investments, thus contributing to the implementation of national objectives. This concept would be useful in recommending such an integration development strategy in Thailand.

Theory of Urbanized Regions in National Economic Development

Conceptually, the integration of urban and regional development planning into national economic development planning must be systematically incorporated into the structure of the national development strategies to achieve the established development objectives of the country, particularly in terms of the equity of benefits of economic growth distribution. The national economy can, therefore, be strengthened through the integration of its several regional economies, which are composed of urban growth centers and

their corresponding hinterlands. In order to arrive at a deliberate delineation of such an integration development strategy and recommendations, it is essential to understand a number of basic elements, drawn from many sources, which can be interrelated to form a general conceptual framework.

If the integration of an urban and regional development strategy at the national level is to be achieved, the core-regions or urban growth centers must be identified as a starting point for urban and regional development, not only in regional terms but also from a standpoint of national objectives. The concept of core region may be thought of as equivalent, in spatial terms, to the leading production sectors of an economy.[4] The main idea underlying core regions for urban and regional development is that investments should be concentrated in a small number of areas identified as having a high potential for economic growth. These areas are usually centered in cities of metropolitan size; and they are envisioned as locations for a planned program of coordinated investments in infrastructure and more directly productive activities which would be carried out over a period of time sufficient to permit the core economy to be pushed across the threshold of self-sustaining growth.

At the same time, core-region development is a way of encouraging rural-urban immigration and of engendering structural changes in the countryside, as traditional agricultural practices are subjected to modernizing influences

in response to increased urban demands for the products of agricultural labor and rising labor costs. Another aspect of core-region development is a means of loosening the urban agglomeration so as to make it efficient economically and more enjoyable humanly. In this way, the core-region system in the framework of urban and regional development seeks to facilitate and ease the trickle-down, and the spread mechanism may both speed the pace at which activities are decentralized from great urban nodes and, potentially, set up the prerequisites of competitive shifts that would favor the lagging regions. In this way, a corresponding rise of urbanization dispersion is inevitable; and its total impact is extremely positive in contributing a balanced economic growth in the nation.

Because the development of core regions requires an intensified mobilization of resources, a corporate administrative structure is a necessity at all levels of government. It seeks to relate in some logical fashion the national policies and local needs, requirements, and opportunities into an integrated system of hierarchical planning; and it helps to reconcile the conflicting objectives, requirements, and contraints of urban and regional development and national development planning of the economy. At the same time, it seeks to coordinate every planning endeavor, development program, and individual investment project for implementation in both budgeting

and executing all levels of such an economic development.

In addition, the advent of development planning requires political and administrative improvements of any government system, particularly in developing countries. The integration of an urban and regional development into national economic planning is very much part of the process which will allow popular participation in decision making. Consequently, political and administrative systems of the government at all levels must be able to undertake multifarious tasks involved in the formulation and execution of development plans, programs, and projects. An appropriate decentralization of the government system is logical in improving and strengthening local authorities which can be assisted by the national government in whatever way is essential for fulfilling such development planning. All of these concepts can be applied in Thailand.

Theory of Components and Procedures for Integrated Development Planning

Since the integration of urban and regional development planning into national economic development planning is the framework for bridging the gaps between national development and local and regional development to improve the equity of economic growth distribution, such an integration must be part of national development strategies. Because of its comprehensiveness, components of integrated development planning will be useful in

providing guidelines for examinations of factors influencing Thai economic development, particularly the govenment system and economic development planning organization and procedure. Meanwhile, other consequential problems related to such a development will be noted. This will lead to recognition of future trends of various problems. In order to be systematic, a comprehensive view of the scope and substance and general procedure must be set out.

Natural Resources and Ecosystems

The concept of natural resources and ecosystems is relatively important to economic growth of a region as well as to the nation because natural resources and ecosystems make economic growth contingent upon initial resources and mutual reinforcement of linkage multiplier effects. The value of a resource is not intrinsic in the material but depends on the structure of demand, the current state of technology, the cost and access of transportation, and the social and political organization for transforming the raw material of nature into marketable commodities. However, development in a locality frequently results from a unique resource advantage which attracts capital and other factors of production, particularly in a developing country like Thailand.

As the concept of natural resources has been broadened, resource conservation and use as well as development and protection are initiated, usually implying careful

use, especially concerning nonrenewable resources which are being depleted at a rate which is fast increasing. Another aspect involves extrernalities--resources which generate either directly or indirectly external effects on the other units such as air, land, water, as well as social and cultural attitudes.

The study of these areas of natural resources and ecosystems in Thailand would lead to understanding how urban and rural development form local and national economies and their potentials for development. Based upon this, development strategy for integration of urban and regional planning in the national context can be recommended. Since the role of natural resources and ecosystems is so broad and complex, it is impossible to attain all data available, particularly for a developing country as Thailand.

Pattern of Urbanization

National economic development proceeds through different geographic arrangements: from rural to urban areas, a shift from agriculture to industry; from one or a few small urban-industrial centers and their surrounding regions to progressive regional decentralization of industrial activities; and from dual economy to a single national market area. Unless the core of economic progress is considered, no effective urban and regional planning

can be done. Cities are usually considered as the centers of economic development: they affect economic patterns in the areas over which their influence extends, and, at the same time, they are affected by the growth which surrounds them. Similarly, the characteristics of the whole vast hinterland that surrounds the urban nucleus cannot be ignored because the characteristics of growth and the requirements of planning are determined by these also, in terms of natural resources and ecosystems.

In this way, the core-region system, which constitutes a system of functionally interrelated core centers of regional economic development, is the key weapon in urban and regional development planning. The core-region system is structured in a loose hierarchy corresponding generally, but not exactly, to rank by population size. In addition to population size, economic factors which relate to production and market distribution of given core centers must be considered too. The hierarchical system of the core region can be defined on the basis of the size of population and the pattern of urbanization in the country. Moreover, the economic factors which relate to each city's growth and development can be described in terms of the access of transportation facilities to sources of supply and markets; of local market and production activities in these local areas; and other amenities and institutions.

Together they identify the country's core-region system for purposes of development strategy.

Internal Migration Pattern

Since the integration of urban and regional development planning with national economic development planning implies that the national economy be organized through its urban centers, each of which has social and economic functions in relation to its hinterlands, internal migration plays a significant role in moving the population from unpromising areas to zones of greater economic opportunities. Therefore, the study of the internal migration in Thailand serves as a means for understanding the causes and effects of migration in guiding the volume and direction of population movement and redistribution, particularly those of core-region economies of the country.

In this way, the local economy of an existing urban agglomeration in a given region can be strengthened, or alternatively, rural-urban migration can be attracted to new urban-industrial or agro-industrial centers through planned development, drawing economic benefit from size. At the same time, further movement of population to already congested centers would be discouraged because of increasingly diminishing returns of the economy and undesirable physical and social consequences.

Organizations and Development Planning

In integrating urban and regional development planning with national economic development planning, there must be coordination between different sectors of the economy and urban and regional development plans, which must be comprehensively synthesized. There must also be coordination between different agencies of planning and development at all levels of government in order to link plan formulation and implementation. Planning is not really planning unless it is effectively related to action programs and administration. This concept can be applied in studying the existing planning organization and procedures in Thailand. Therefore, planning organizations, planning process, and coordinating authorities must recommend a development strategy that will be adequate to meet the present and foreseeable problems of the country.

Political and Administrative Systems of the Government

As a matter of fact, the typical situation in developing countries such as Thailand is an extreme degree of centralization of political and administrative authority. Consequently, the local self-government system is weak and ineffective. Economic development planning from above is often directly oriented toward the development of some special areas and a few big cities. Whatever development planning is undertaken from below is too often

conceived in terms of control by the central government. The conflicts produced by this pattern must be resolved, if only because at a certain point in the complexity of economic relations, further centralization tends to slow down rather than stimulate economic and social progress.

In countries where cultural regionalism is strong, like Thailand, pressures for decentralization are especially severe and may pose a direct threat to national unity unless demands for greater autonomy are met. A sound assurance of the integration of urban and regional development planning into national economic development planning requires the mobilization of the various social groups to influence planning and development at all levels of government. Therefore, the key issues in administrative and political systems of the government of Thailand must be examined in order to recommend an integration development strategy which will engender the effective economic development of Thailand.

All of these areas represent the comprehensive scope of study required for recommending an urban and regional development strategy and integrating them into national development.

Summary and Conclusion

The major weakness of most national economic development planning lies in the fact that the development

plan is carried on only in global and sectoral planning orientations. The pattern of the allocation of resources is made with little or no consideration of their locations. Consequently, this planning orientation creates disparities in the benefits of economic growth distribution among regions of a country. These problems occur because of lack of a systematic effort to integrate urban and regional development planning with national economic development planning. Strategies of national economic development are an integral part of the development planning process, linking long-range, middle-range, and short-range plans into a coherent whole. In this way, the integration of urban and regional development planning at the national level will affect the equity of economic growth distribution.

Conceptually, urban and regional development planning at the national level is multifarious in nature. It is mainly concerned, in the spatial dimension, with the interregional and intraregional flows of investments, goods and services, and people. It is closely linked to the system of cities and their hinterlands and working out efficient economic, social as well as spatial patterns of agricultural regions and industrial regions. At the same time, its advantages are focused on permitting the coordination of sectoral planning and urban and regional planning, taking into account the spatial aspect of

economic development and on permitting the coordination between planning and development agencies at all levels of government. Furthermore, this planning deals with matters that are closer to the immediate concerns of people in terms of popular participation in planning and development. This participation improves capability of local authorities in their interface with national central government. Political and administrative systems of the government will be strengthened on the basis of a practicable decentralization.

In this connection, the recommendations for the development strategy of integrating urban and regional development planning into national economic development planning should emphasize the study of natural resources and ecosystems, urbanization, and internal migration. Such a study would indicate growth centers of urban areas which have potentials for economic development as well as proximity to natural resources. Planning organization and procedures should also be emphasized. The Thai government system should be described in relation to the economic development of the country in political and administrative terms. In addition, other social, cultural, and population characteristics related to the Thai economic development should be discussed carefully.

FOOTNOTES

[1]John Friedmann, Urbanization, Planning, and National Development (Beverly Hills: Sage Publications, 1973), p. 133.

[2]Max F. Millikan, A Strategy of Development (New York: Praeger Publications, 1973), p. 5.

[3]Anthony Cantonese, "System Planning: The Challenge of the New Generation of Planners," Journal of Town and Country Planning, 103 (April, 1968), pp. 172-176.

[4]Friedmann, Urbanization, Planning, and National Development, p. 141.

CHAPTER V

DESCRIPTION OF COMPONENTS OF INTEGRATED DEVELOPMENT PLANNING IN THAILAND

On the basis of the conceptual framework of the national development strategy for urban and regional development in Thailand, the elements and their substantive aspects will be examined. These involve natural resources and ecosystems, the pattern of urbanization and other factors related to the core-region system, the internal migration pattern, development planning organization and procedure, and political and administrative systems of the government. In addition, other relevant factors which are concerned with a development context will be taken into account. These factors were described briefly in Chapter I in terms of geographic, social, cultural, and population characteristics as well as the historical development of the country.

Natural Resources and Ecosystems

The greatest natural resource of Thailand is its land, which has always been cultivated, as noted earlier, and is the economic foundation of the society and a basis of Thai life and behavior (see Figure 5.1). In the

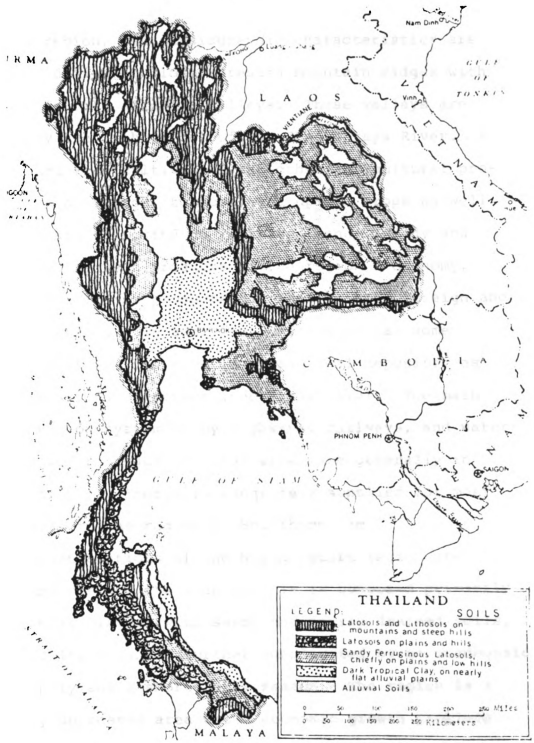


Figure 5.1--Soil Types of Thailand

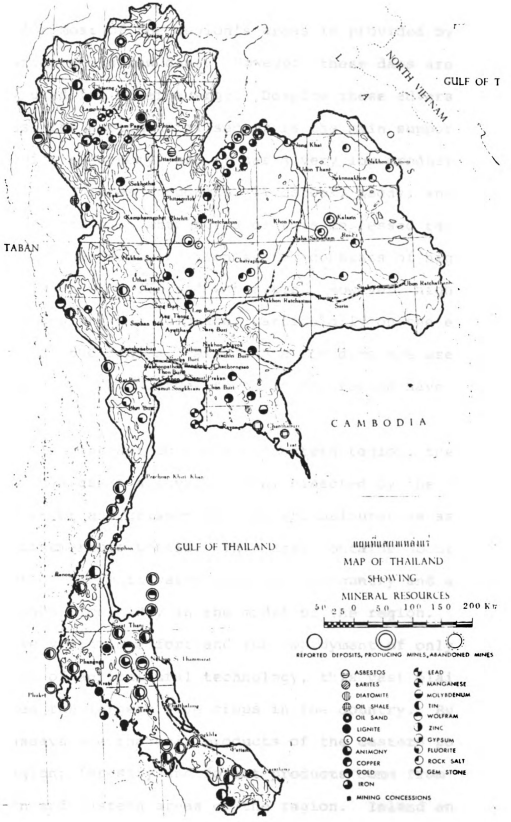
Source: Llewelyn Williams, Vegetation of Southeast Asia: Forest Types (Washington, D.C.: USDA, 1965), p. 107.

Northern region, the physiographic characteristics are generally defined by long forested mountain ridges with deep and fertile alluvial valleys. These valleys are drained by the tributaries of the Chao Phraya River. A substantial rice cultivation and other agricultural products such as cotton, tobacco, and upland crops as well as fruits are supported on irrigated land. Paddy and fruits are the main products of the region's economy. Forestry and forest products are sent to both foreign and domestic markets. In addition, the region has some lignite, wolfram, tin, and low-grade coal deposits, as well as small oil reserves (see Figure 5.2). The main transportation system is by highways, railways, and waterways. However, roads in rural areas are generally in poor condition. Energy is adequately supplied for most urban areas in the region by Bhumibhon Dam.

Vast sections of the Northeastern region are unlike the rest of the country. It is composed primarily of the Korat Plateau with sandy and poorly drained soils; and the cultivation is further complicated by an inadequate water supply and a short rainy season. The region is a naturally depressed area whose economic growth problems are very difficult to resolve. A great portion of the region is covered with diciduous forests which form an important source of timber and firewood. Mineral deposits are very limited; and only rock salt deposits are found.

Figure 5.2--Mineral Resources of Thailand

Source: NEDB, National Economic Development Plan, 1967-1971 (Bangkok: 1967), p. 121.


GULF OF T
NORTH VIETNAM
TABAN
CAMBODIA
GULF OF THAILAND
แผนที่แสดงแหล่งแร่
MAP OF THAILAND
SHOWING
MINERAL RESOURCES
50 25 0 50 100 150 200 Km
REPORTED DEPOSITS, PRODUCING MINES, ABANDONED MINES
ASBESTOS
BARITES
DIATOMITE
OIL SHALE
OIL SAND
LIGNITE
COAL
ANTIMONY
COPPER
GOLD
IRON
LEAD
MANGANESE
MOLYBDENUM
TIN
WOLFRAM
ZINC
GYPSUM
FLUORITE
ROCK SALT
GEM. STONE
MINING CONCESSIONS

Water for most of the region's areas is provided by tank irrigation and a few dams. However, these dams are primarily used for power energy. Despite these adverse conditions, the agricultural sector is the main support of the region's economy, but it has a very low productivity. Forestry and forest products, livestock, paddy, and other crops are the main attribures of this depressed region's economy. The transportation system consists of highways and railways with limited waterways. However, highways and rural roads are not adequate, particularly on the eastern portion of the region. Although a few dams are used for power energy, only larger towns in the region have adequate service.

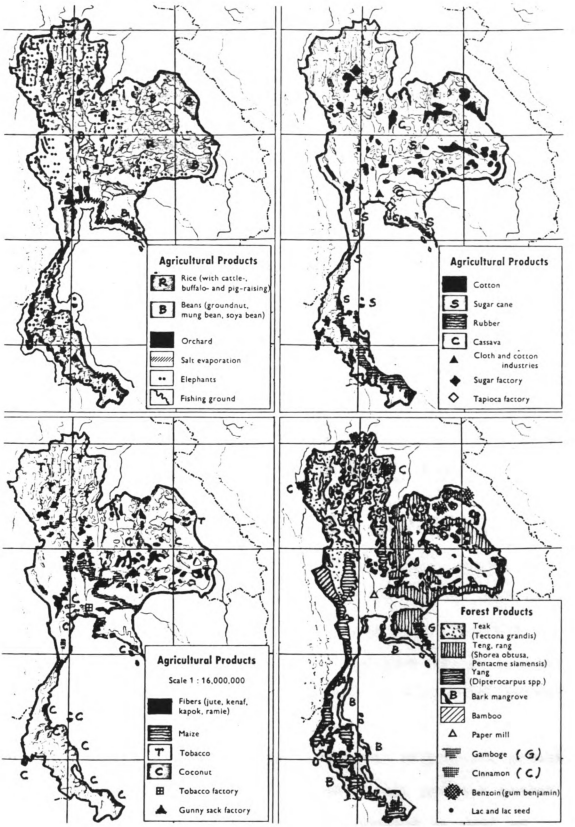
In contrast to the Northeastern region, the Central region is a great alluvial plain, bisected by the Chao Phraya River and crisscrossed by its bributaries as well as by innumerable conals. This area contains about 50 percent of all cultivated land in the country and almost a continuous rice paddy in the midst of the region. With a relatively little effort and the employment of only the simplest of agricultural technology, this vast plain produces the largest rice crops in the country. Rubber and cassava are the main products of the eastern portion of the region; forestry and forest products come from the western and eastern areas of the region. Inland and marine fisheries, livestock, and marine salt industries are also

important to the region's economy. There are various mineral deposits such as tin, fluoride, and iron in the region. Irrigation, power energy, and transportation and communication systems of this region are relatively better than in any region in the country. Without the inclusion of the GBM's economy, agricultural products dominate the region's GDP, particularly paddy and other crops (see Figure 5.3).

The Southern region is relatively mountainous and wealthy in natural resources. Although it contains only narrow valleys and limited cultivable areas along the eastern sea coast, the coastal plain produces major quantities of rubber products, rice, coconut, and fruits. The forests have also valuable timber resources; and there are rich tin deposits and wolfram reserves that are the main product of the mining and quarrying sector of the economy of the country as well as the area. The marine fishing industry is also extensive. These are the main products of the region's economy. The economic productivity is relatively equal to that of the Central region and comparatively better than those of the Northern and Northeastern regions. Since southern Thailand has a more regular rainfall than other regions of the country, its need for irrigation is less urgent. Problems of flood control and drainage are, however, greater. The transportation system is mainly served by railways and highways. Inland waterways

Figure 5.3--Economic Resources of Thailand

Source: McMillan and Co., Ltd., Atlas of Southeast Asia, (London: 1964), p. 42.


Agricultural Products
R Rice (with cattle-, buffalo- and pig-raising)
B Beans (groundnut, mung bean, soya bean)
Orchard
Salt evaporation
Elephants
Fishing ground
Agricultural Products
Cotton
S Sugar cane
Rubber
C Cassava
Cloth and cotton industries
Sugar factory
Tapioca factory
Agricultural Products
Scale 1 : 16,000,000
Fibers (jute, kenaf, kapok, ramie)
Maize
T Tobacco
C Coconut
Tobacco factory
Gunny sack factory
Forest Products
Teak (Tectona grandis)
Teng, rang (Shorea obtusa, Pentacme siamensis)
Yang (Dipterocarpus spp.)
B Bark mangrove
Bamboo
Paper mill
Gamboge (G)
Cinnamon (C)
Benzoin (gum benjamin)
Lac and lac seed

are very limited, but ocean waterways are primarily important for frieght transportation in both domestic and international services. Generally, road conditions are poor in the rural areas.

Pattern of Urbanization

Thailand, like other developing countries in Southeast Asia, is one of the least urbanized countries of the world. As shown in Table 5.1, the percentage of distribution of urban population in the country was approximately 9.9 percent in 1947; these figures increased to 12.5 percent in 1960, and to 15.7 percent in 1970. Regarding such urban population distribution by regions, the Central region led all regions in constituting urban population distribution from 1947 through 1970. In 1947, the Central region constituted about 64 percent of the country's urban population, compared to less than 14 percent of the rest of the regions. By 1970, these figures were 70.6 percent of the Central region to approximately 10 percent of each of other regions. However, the GBM, in the Central region alone constituted approximately 45.1 percent of the national urban population in 1947 and increased to almost 56 percent in 1970, as shown in Table 5.2.

The comparison of urban and rural population growth rates (see Table 5.1) shows that the annual average growth rates of the urban population in all regions as well as

Table 5.1--Percentage Distribution of Urban and Rural Population and Percentage Changes in Intercensal Periods by Regions

Time \ Region	Nation	Central	North-east	North	South
	Percent of region's urban population				
1947	9.9	21.1	3.1	6.2	9.1
1960	12.5	27.4	3.5	6.4	10.0
1970	15.7	35.8	4.3	7.1	12.7
	Distribution of urban population by region				
1947	100.0	64.0	11.0	13.6	11.4
1960	100.0	69.2	9.5	11.2	10.1
1970	100.0	70.6	9.6	9.8	10.0
	Distribution of rural population by region				
1947	100.0	26.4	38.3	22.8	12.5
1960	100.0	25.3	37.7	24.4	12.6
1970	100.0	25.1	37.5	24.6	12.8
	Average annual percentage increase, urban				
1947-60	5.0	5.5	3.8	3.6	3.9
1960-70	4.8	4.9	4.6	3.0	4.3
	Average annual percentage increase, rural				
1947-60	3.0	2.5	2.8	3.4	3.1
1960-70	3.1	3.0	3.1	3.3	3.3

Source: Computed from Population Censuses: 1947, 1960, 1970.

Table 5.2--Percentage Distributions of Urban Area and Urban Populations, by Size of Area

Size of Area (Population, in thousands)	Distribution of Urban Areas			Distribution of Urban Population		
	1947	1960	1970	1947	1960	1970
All urban areas & population[a]	116	119	119	1,734[a]	3,273[a]	5,384[a]
Percent	100.0	100.0	100.0	100.0	100.0	100.0
1,000.0 and over	--	0.8	0.8	--	53.2	55.9
750.0 - 999.9	0.9	--	--	45.1	--	--
75.0 - 99.9	--	--	0.8	--	--	1.8
50.0 - 74.9	--	0.8	0.8	--	2.0	1.6
40.0 - 49.9	--	0.8	5.1	--	1.3	7.7
30.0 - 39.9	0.9	6.7	10.1	2.2	7.9	6.9
20.0 - 29.9	3.5	9.3	12.6	5.1	7.9	7.4
15.0 - 19.9	6.0	11.8	11.8	7.1	7.1	5.0
10.0 - 14.9	17.2	22.7	22.7	13.7	9.6	7.3
5.0 - 9.9	40.5	37.0	29.4	19.7	9.6	5.8
Under 5.0	31.1	10.1	5.9	7.7	1.4	0.6

a = Number, in thousands

Source: Computed from Population Censuses of 1947, 1960, and 1970.

the country as a whole exceeded those of the rural population during the two periods, 1947-60 and 1960-70, with the exception of the Northern region in the latter period. The Central region led all regions in urban population growth rates with about 5.5 percent during the period 1947-60, and almost 5.0 percent during the period 1960-70. The growth rate of the Northern region decreased from 3.6 percent to 3.0 percent. However, the level of urban population growth rates of the country was influenced by that of the GBM, which had the largest proportion in the national urban population distribution, almost 55 percent of the distribution with a growth rate of 7.5 percent during the period 1960-70, as shown in Table 5.2 and Table 5.3. Regional urban areas had a small growth rate in the national urban population.

Most of all, the GBM continued to dominate in the Central region as well as in the country as a whole, having the top position in the country's urban hierarchy, as evidenced by statistical data tabulations of the size of urban areas between 750,000 and over during the period 1947-70. Those figures reflect the changing level of the urbanization of the GBM alone. In this way, the process of the urbanization of Thailand was mainly characterized by the primacy of the GBM, although the next twelve urban centers showed some population growth, as shown in Table 5.3, but with less than 5.1 percent of the rate.

Table 5.3--Thirteen Largest Urban Places in Thailand, 1960 and 1970

Urban Places and Region	Population in 1970	Population in 1960	Growth Rate/Year 1960-70 (Percent)
The GBM (C)	2,976,655	1,703,356	7.5
Chiangmai (N)	85,729	65,736	3.1
Nakhon Ratchsima (NE)	66,071	44,218	4.9
Hat Yai (S)	47,953	35,504	3.5
Udonthani (NE)	46,686	30,884	5.1
Nakhon Sawan (N)	45,851	34,947	3.2
Chonburi (C)	42,141	32,495	3.2
Songkhla (S)	41,193	31,014	3.3
Lampang (N)	41,077	30,486	3.3
Pittsnulok (N)	40,725	30,364	3.4
Nakhon Sithammarat (S)	40,671	27,919	4.7
Ubon Ratchthani (NE)	40,650	27,222	4.9
Ayuthaya (C)	40,104	30,368	3.2

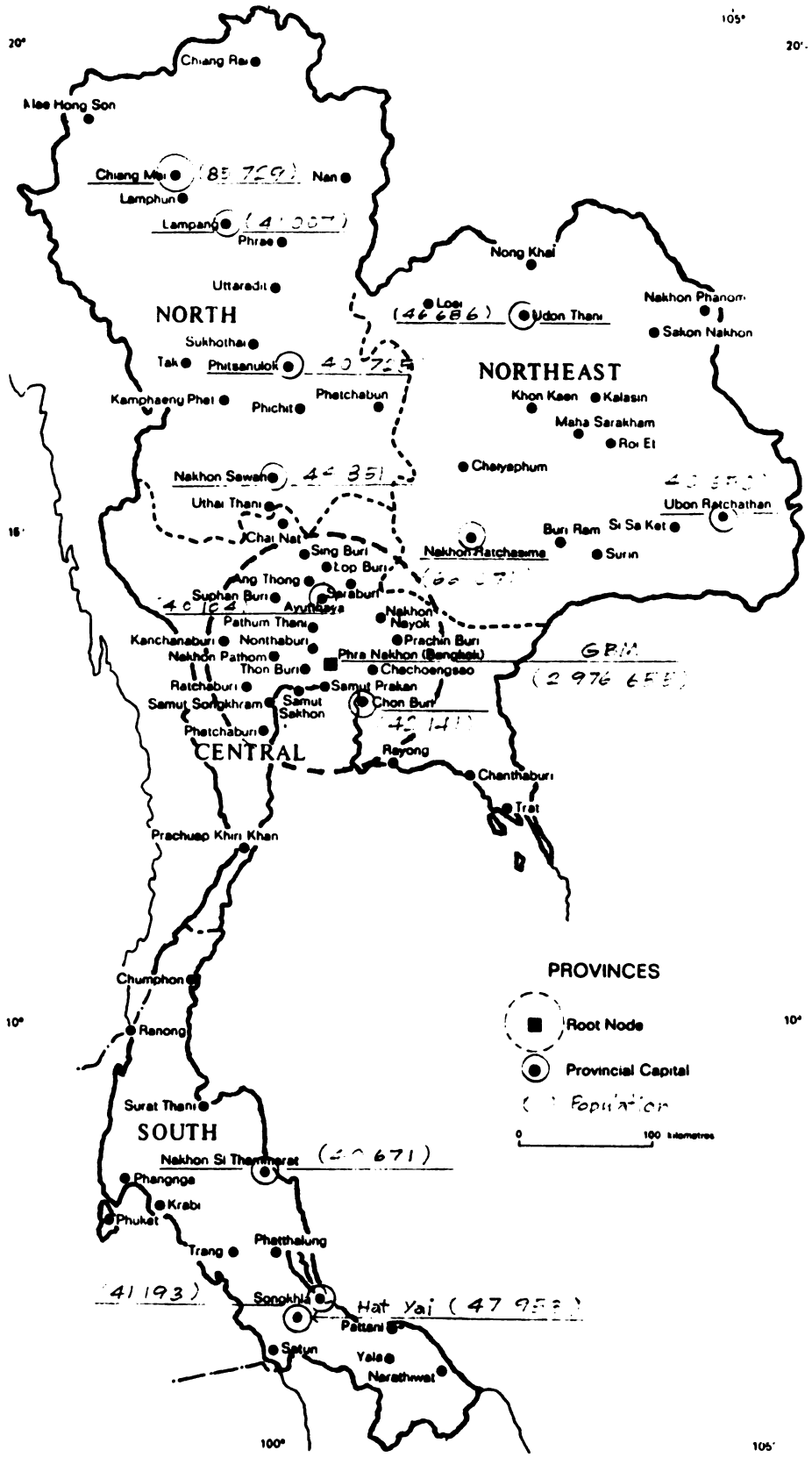
Sources: Thailand Population Censuses, 1960 and 1970.

In constructing the hierarchical system of the core-region of Thailand, the thirteen largest urban centers, as municipal units, are being chosen for examinations on the basis of population size, economic activities, transportation systems, and social and physical facilities. This would lead to initial advantages in identifying the urban centers that have the potentials for future economic growth as the key to economic development. As shown in Table 5.3, there were thirteen urban centers which contained a population of more than 40,000 persons, including the GBM, among 119 cities of the country in 1970. The importance of these urban centers in relation to their hinterlands in each region will be discussed (see Figure 5.4).

Among twenty-six urban centers of the Northern region, there were four cities which had a population of more than 40,000 in 1970, notably Chiangmai, Nakhon Sawan, Lampang, and Pittsanulok. Chiangmai and Lampang are centers of the upper part of the region; whereas, Nakhon Sawan and Pittsanulok are centers in the lower part of the region. Chiangmai is situated on the bank of the Ping River and covers approximately 7.2 square miles. The size of its population was approximately 65,736 persons in 1960 and increased to 85,729 persons in 1970. Chiangmai has been the capital of northern Thailand for nearly 700 years. It is the second largest city in Thailand, next to the GBM. Because it is the terminus of the railroad, the

Figure 5.4--Urbanization of Thailand

Source: Adapted from Thailand Population Census of 1970.


105°
20°
Chiang Rai
Mae Hong Son
Chiang Mai
Nan
Lamphun
Lampang
Phrae
Uttaradit
NORTH
Sukhothai
Tak
Phitsanulok
Kamphaeng Phet
Phichit
Phetchabun
Nong Khai
Loei
Udon Thani
Nakhon Phanom
Sakon Nakhon
NORTHEAST
Khon Kaen
Kalasin
Maha Sarakham
Roi Et
Chaiyaphum
Nakhon Sawan
Uthai Thani
Ubon Ratchathan
Buri Ram
Si Sa Ket
Surin
Nakhon Ratchasima
Chai Nat
Sing Buri
Lop Buri
Ang Thong
Saraburi
Suphan Buri
Ayutthaya
Pathum Thani
Nakhon Nayok
Kanchanaburi
Nonthaburi
Prachin Buri
Nakhon Pathom
Phra Nakhon (Bangkok)
Thon Buri
Chachoengsao
GPM
Ratchaburi
Samut Prakan
Samut Songkhram
Samut Sakhon
Chon Buri
Phetchaburi
CENTRAL
Rayong
Chanthaburi
Trat
Prachuap Khiri Khan
Chumphon
10°
Ranong
Surat Thani
SOUTH
Nakhon Si Thammarat
Phangnga
Krabi
Phuket
Trang
Phatthalung
Songkhla
Hat Yai
Pattani
Satun
Yala
Narathiwat
100°
105°
PROVINCES
Root Node
Provincial Capital
Population
0
100 kilometres

junction of highways and air transportation, it becomes the center of transportation of goods and services nearby. It is also the center of commercial enterprises and trade in rich agricultural products. The area is also famous for its cottage industries. There are several government public services, sites of several educational institutions and a university, and sites of historical interests and natural scenic areas for tourists.

Lampang is located about 60 miles southward of Chiangmai and covers an area of approximately 4 square miles on the bank of the Wang River. The city contained 41,077 residents in 1970. It is on a junction of highways going to Chiangmai and the northeastern portion of the region. It is also served by the Northern Railway and airway. The area is the market, commercial, and transportation center for agricultural products and minerals such as lignite, gypsum, antimony, and lead. Weaving industries are also practiced. Because it is an historical town as Chiangmai, there are many sites of historical interest. It is the seat of the provincial administrative center with public service facilities and educational facilities.

The second largest city in the Northern region is Nakhon Sawan, located in the lower part of the region, approximately 200 miles north of the GBM. The city covers an area of about 4 square miles; and its population was almost 46,000 population in 1970. It is situated on the

headwaters of the Chao Phraya River. Served by highways, the Northern Railway, and the airway in linking the Northern region to the Central region, the city has more transportation systems and commercial and trading activities in agricultural products. The main industries in the area are timber and boat building and mills. It is the site of several public service facilities as well as educational institutions.

Pittsanulok city is located in the upper part of the lower portion of the Northern region, approximately 100 miles north of Nakhon Sawan, and occupies an area of about 3 square miles along the bank of the Nan River. By 1970, its population was about 40,725. It is a communication and transportation center for air, rail and highways, which makes it a center of commercial and trading activities in agricultural products. There are also several timber industries and many small industrial installations in the area. More importantly, the East-West Highway connects the Northern region with the Northeastern region from Pittsanulok to Khonkaen. This helps to support the economic activities of the city in commercial, trading, and transportation systems. The city also provides several public service facilities and educational institutions.

In the Northeastern region, there were only three urban centers that had a population of more than 40,000 by 1970, namely Nakhon Ratchsima, Udonthani, and Ubon

Ratchthani. Nakhon Ratchsima is the largest city in the Northeastern region and ranks third in the country, next to Chiangmai. It is situated at the edge of the Korat Plateau, the southewestern part of the region, and is approximately 200 miles from the GBM. Although the city covers an area of about 2 square miles, its population was 66,071 persons in 1970. It is the transportation crossroads, a focal point of railways, highways, and the airway of the region, which links northeast Thailand with the GBM and the Central region. In this way, it is the gateway to the Northeastern region as a collection and distribution center in commercial and trading activities in agricultural products. There are several weaving industries and earthenware manufactures in the area. Educational institutions and other government facilities of various agencies are also located there.

The City of Udonthani is the second largest city in the region and is located on the upper part of the Korat Plateau, the northwestern portion of the region, and is approximately 60 miles, across the Mekong River, from the Laotian capital of Veintiane and 260 miles north of Nakhon Ratchsima. It occupies an area of about 3 square miles. There were approximately 46,686 residents who lived in the city in 1970. It is the center of the transportation system of the northern part of the region, served by the Northeastern Railway, Friendship Highway, and airway.

There are many commercial and business enterprises as well as trading activities in agricultural products. It is also the area which engages in a number of small industrial enterprises such as salt lick, handicraft, and mills. Besides being the seat of the provincial administrative center, many educational and other public service facilities are available there.

Ubon Ratchthani is the third largest city in the region and is located in the easternmost part of the country, the southeastern part of the region on the bank of the Mun River, which merges into the Mekong River. The city has an area of approximately 2 square miles; and by 1970, it had a population of about 41,000 inhabitants. Because it is the terminus of a railway, the junction point of highways and the airway which connects to Nakhon Ratchsima, approximately 250 miles in distance, it is the center of commercial, market, and trading activities in agricultural products of the southeastern portion of the region. The timber industry is very important because of rich forests nearby, particularly at the southern part of the region by Cambodia. Several educational and other public service facilities are provided in the city.

The Central region has more urban centers than other regions, with 47 cities. By 1970, there were, however, only three urban centers that had a population of more than 40,000 persons, including the GBM. Chonburi

and Ayuthaya ranked second and third respectively next to the leading GBM in the region. As evidenced by the earlier discussion, the GBM is the largest urban center and the focal point of the political, social, cultural, and economic vitality. It is the capital of the country. It is also the center of physical development, particularly of economic infrastructures, and the gateway to the domestic and international world. In this way, it is not surprising that the GBM alone leads all regions of the country in economic production and industrialization, particularly in manufactures, social services, commerce, transportation and communications, construction, and energy. The rest of the country has underdeveloped conditions. All urban centers of the country are overwhelmingly superseded by the GBM in terms of the population size, as shown in Table 5.3.

The City of Ayuthaya is located at the confluence of the Chao Phraya, Lopburi, and Pasak Rivers, about 50 miles north of the GBM. It occupies an area of about 6.5 square miles. It was the old capital of Thailand during the period 1350-1767. In 1970, it had a population of about 40,104 persons. With waterways, a railway and highway junction, it is very important in transportation, particularly as a river port center of inland waterways, in market and trading as well as marketing agricultural products for the northern area of the region. Several

small industrial installations as well as home industries are located in the city. There are several public service facilities and educational institutions besides the seat of the provincial administrative center. It is also a tourist center.

Chonburi City is situated on the east coast of the Gulf of Thailand, almost 60 miles southeast of the GBM, and covers an area of about 2 square miles. Its population was approximately 42,141 in 1970. It is the center of a transportation system, connecting all eastern provinces of the Central region to the GBM by the Eastern Highway. At the same time, there is a port for large ocean-going vessels located nearby at Sichang Island for moving cargoes to the GBM and the mainland. It is also the center of commercial and trading activities of domestic agricultural products and foreign goods. At the same time, there are many manufacturing industries which are located nearby the city such as pretolium refining and processing plants for sugar cane and cassava as well as timber and salt-fish industries. Besides its well-known seaside resorts located nearby, there are many schools and a few colleges as well as government service facilities in the area.

There are 25 urban centers in the Southern region. Among them, there were only three urban centers that had a population slightly more than 40,000 persons in 1970: Hat Yai, Songkhla, and Nakhon Sithammarat. Hat Yai is

located in the center of the lower part of the Southern region, in the Province of Songkhla and about 20 miles west of the City of Songkhla, with an area of 2 square miles. By 1970, there were about 47,953 people in the city. It is the largest city in the region and the fourth largest city in the country, next to Nakhon Ratchsima. As the center of the transportation system, which is served by the Southern Railway, highway juntions, and the airway, it is the headquarters of trading, commercial and business activities, with numerous overseas firms, with wealthy agricultural products and mining industries such as rubber, timber, fisheries, tin, and wolfram. It is also the gateway to Malaysia and Singapore. Municipal service facilities and several schools are available in there.

Songkhla is situated on the east coast of the region, at the Gulf of Thaland, with an area of about 3 square miles. Its population was almost 42,000 in 1970. The activities of Songkhla are similar to those of Hat Yai. However, its primary impotance is the ocean transportation for moving goods to the GBM and Malaysia and Singapore because of the main seaport for the oceangoing vessels located there. Unlike Hat Yai, Songkhla is a seaside resort area which attracts tourists. In addition, it is the seat of the provincial administrative center, with several public service facilities, schools, and the University of Songkhla.

Nakhon Sithammarat is the oldest city in the Southern region and was the capital of southern Thailand during the period 1238-1767. It is located near the east coast of the upper part of the region, approximately 150 miles north of Hat Yai, and covers an area of about 2 square miles. Almost 41,000 people lived in the city in 1970. Access to the city is provided by the Southern Railway, highways, and an airway. The city is the center of commercial, trading, and transportation activities in agricultural products, such as rubber, fisheries, rice, and others, as well as in mining industries such as tin and wolfram. It is also the center of the production of cottage industries and of archeological treasures. Besides being the administrative center of the province, the city is provided with several schools and a college as well as public service facilities.

Internal Migration Pattern

In Thailand, population censuses prior to the 1960 census were designed with very little attention to gathering information on the internal migration in the country. It is, therefore, impossible to study the internal migration in scientific terms because of the lack of adequately available data. However, a short report on the pattern of the internal migration in Thailand during the period 1948-56 was conducted by Dr. Adul Wichiencharoen[1]

in 1959. His report was based on the 1956 National Demographic and Economic Survey of Thailand and revealed that approximately 92.5 percent of the total internal migration moved a short distance within the same administrative region, in terms of intraregional migration. It shoud be noted that the boundaries of the administrative regions that had been used for this report were the same as those used in this dissertation.

Using the data from the 1960 and 1970 population censuses permits identification of two sets of five-year migrants, 1956-60 migrants of the 1960 census and 1966-70 migrants of the 1970 census, facilitating study of the internal migration in the country. On the basis of five-year residence criteria, a five-year migrant is the person who lives in a province different from that in which he resided five years prior to the census. Although this type of data has some defects inherent in migration statistics, compounded by the problems associated with census taking in a developing country like Thailand, the migration is measured as movement between provinces. However, using the population growth rates and the natural increasing rates of the population of the municipal areas (urban areas) and nonmunicipal areas (rural areas) of each region gives some insights into the interrelation between the migration and population growth, particularly of the urbanization.

In view of the pattern of the internal migration in Thailand, it is possible to classify it into three types: the interregional migration; the intraregional migration; and the migration to and from the GBM. The GBM is the only urban area that has the available quantitative recorded data for exploring inmigrants and outmigrants in relation to the other four regions of the country.

As shown in Table 5.4, there were approximately 826,755 persons as five-year migrants, during the period 1956-60, in the country. The interregional migrants constituted only 26.1 percent of the total five-year migrants and accounted for 215,984 persons; whereas, the rest were the intraregional migrants who constituted approximately 73.9 percent of the total internal migrants or about 610,771 persons. By 1970, the total five-year migrants, during the period 1966-70, increased to 2,253,789 persons for the whole kingdom; and the intraregional migrants still had a large proportion constituting almost 77.0 percent compared to 23.0 percent of interregional migrants. This implies that the migration movement was mainly prevalent within each particular region during the past two periods.

Table 5.4--Volume and Percentage Distribution of Interregional and Intraregional Migration and of Intraregional Inmigration (Interregional and Intraregional Migration) by Regions

Region	1956-60 Migration		1966-70 Migration	
	Number	Percent	Number	Percent
Whole Kingdom:	826,775	100.0	2,253,778	100.0
Interregional Migration	215,984	26.1	520,625	23.1
Intraregional Migration	610,771	73.9	1,733,163	76.9
Interregional Migration: A	215,984	100.0	520,625	100.0
Central	100,887	46.7	257,765	49.5
Northeast	25,846	12.0	100,182	19.2
North	63,495	29.4	120,031	23.1
South	25,756	11.9	42,647	8.2
Intraregional Migration: B	610,771	100.0	1,733,163	100.0
Central	281,079	46.0	809,387	46.7
Northeast	180,286	29.5	481,819	27.8
North	90,968	14.9	265,174	15.3
South	58,708	9.6	176,783	10.2
Total Inmigration: (A+B)	(A+B)	B/A+B	(A+B)	B/A+B
Whole Kingdom	826,775	73.9	2,253,778	76.9
Central	381,966	73.6	1,067,152	75.8
Northeast	206,132	87.5	582,001	82.8
North	154,463	58.9	385,205	68.8
South	84,464	69.5	219,430	80.6

Source: Computed from Thailand Population Censuses of 1960 and 1970.

Interregional Migration

Table 5.5 and Table 5.6 show the volume and percentage distribution of interregional migrants by regions; the net exchanges of the interregional migration interaction by regions are shown in Table 5.7. As evidenced from these tabulations, by 1960 the Central region ranked first in gaining net migrants of about 28,693 persons; and the Northern and Southern regions also had substantial gains in net migrants. All of these net migration gains were attributed to the net migration loss of the Northeastern region. In 1970, the pattern of the interregional migration exchanges was not much different from that of 1960. However, the Southern region lost in net migrants, particularly to the Central region. The Northeastern region continued to have the highest loss in net migrants to all regions of the country.

It should be noted that the magnitude of inmigration and outmigration streams of the interregional migration pattern seemed to be relatively associated with the distance and particularly with the location of the Central region. The Central region had high magnitudes of inmigration and outmigration flows; whereas, the other peripheral regions surrounding the Central region had relatively decreasing magnitudes of migration flows.

Table 5.5--Volume and Percentage of Distribution of Interregional Migration, 1956-60, by Regions

Out-migrants / In-migrants	Total Migrants	Region of Origin			
		Central	North-east	North	South
Region of Destination:	215,984	73,673	85,532	40,167	16,612
Central	100,887	--	52,645	33,780	14,462
Northeast	25,846	19,638	--	4,888	1,320
North	63,495	36,738	25,927	--	830
South	25,756	17,297	6,960	1,499	--
A: Real Number					
	100.0	34.1	39.6	18.6	7.7
Central	46.7	--	24.4	14.6	6.6
Northeast	12.0	9.1	--	2.3	0.6
North	29.4	17.0	11.9	--	0.5
South	11.0	8.0	3.3	0.6	--
B: Percent					

Source: Computed from Thailand Population Census, 1960.

Table 5.6--Volume and Percentage of Distribution of Interregional Migration, 1966-70, by Regions

Out-migrants / In-migrants	Total Migrants	Region of Origin			
		Central	North-east	North	South
Region of Destination:	520,625	169,272	185,188	113,691	52,474
Central	257,765	--	129,749	83,786	44,230
Northeast	100,182	69,238	--	26,130	4,814
North	120,031	72,681	43,920	--	3,430
South	42,647	27,353	11,519	3,775	--
A: Real Number					
	100.0	32.5	35.6	21.8	10.1
Central	49.5	--	24.9	16.1	8.5
Northeast	19.2	13.3	--	5.0	0.9
North	23.1	14.0	8.4	--	0.7
South	8.2	5.2	2.3	0.7	--
B: Percent					

Source: Computed from Thailand Population Census, 1970.

Table 5.7--Net Exchange of Interregional Migration by Regions

Region of Destination	Total Migrants	Region of Origin			
		Central	North-east	North	South
A: Time: 1956-60					
Central	28,693	--	33,007	-1,479	-2,835
North-east	-59,686	-33,007	--	-21,039	-5,640
North	21,849	1,479	21,039	--	-669
South	9,144	2,835	5,640	699	--
B: Time: 1966-70					
Central	88,493	--	60,511	11,105	16,877
North-east	-85,006	-60,511	--	-17,790	-6,705
North	6,340	-11,105	17,790	--	-345
South	-9,827	-16,877	6,705	345	--

Source: Computed from Thailand Population Censuses of 1960 and 1970.

Intraregional Migration

As discussed earlier, the intraregional migration in Thailand was more pervasive than the interregional migration during the two periods of five-year migrants: 1956-60 and 1966-70. The tabulation in part B of Table 5.4 indicate that, in 1960 there were approximately 610,711 intraregional migrants in the country; and they were distributed unevenly with 46.0 percent in the Central region, 29.5 percent in the Northeastern region, 14.9 percent in the Northern region, and 9.6 percent in the Southern region. By 1970, the intraregional migrants increased to 1,733,163 persons; and only the Northern region had fewer intraregional migrants, 27.8 percent of the total intraregional migrants. Other regions had slight increases. In part A+B of the same Table, the tabulation of ratios of intraregional migrants over the total migrants (intraregional and interregional migrants), show that the intraregional migration was increasingly predominant in the Central, Northern, and Southern regions during the previous two periods. Only the Northeastern region had an increasing movement in terms of interregional migration.

Migration to and from the GBM

The GBM, the capital of Thailand, was the predominant center of the internal migration interaction in the country during the two periods of five-year migrants:

1956-60 and 1966-70. Table 5.8 shows the pattern of migration distribution to and from the GBM and the net exchange of such a migration interaction, by regions of origin and destination. The tabulation indicate that there were approximately 127,495 inmigrants who moved into the GBM between 1956-60 and increased to 298,911 persons between 1966-70. These inmigrants to the GBM constituted almost 60.0 percent of the total internal migrants in the country in both periods. Despite the high magnitude of inmigration streams into the GBM from the other four regions, the outmigration stream from the GBM to those regions was also quite substantial in magnitude.

In considering the pattern of migration to and from the GBM in both periods, it was evident that the 1970 pattern was similar to that of 1960, but the magnitude of migration flows and the net exchange of migration interaction of the 1970 pattern was more prevalent than of the 1960 pattern. In the meantime, the distance between the GBM and the other four regional locations seemed to characterize the magnitude of migration flows to and from the GBM. As indicated by the same tabulation, the Central region led all regions in contributing its net loss of migrants to the GBM with approximately 58.6 percent of the total net gain in migrants of the GBM by 1960. However, the same figure decreased to 40.5 percent by 1970 because

Table 5.8--Volume and Percentage Distribution and Net Exchange of Five-Year Migrants, to and from the GBM, by Regions

Region	Net Exchange (GBM)		To the GBM		From the GBM	
	Number	Percent	Number	Percent	Number	Percent
Time: 1956-60						
Central	36,471	58.6	76,370	59.9	39,899	61.1
Northeast	17,566	28.2	26,774	21.0	9,208	14.1
North	5,510	8.9	15,044	11.8	9,534	14.6
South	2,646	4.3	9,307	7.3	6,661	10.2
Total	62,193	100.0	127,495	100.0	65,302	100.0
Time: 1966-70						
Central	48,706	40.5	166,243	55.6	117,538	65.8
Northeast	32,973	27.4	66,818	22.4	33,845	19.0
North	21,963	18.2	36,555	12.2	14,592	8.2
South	16,743	13.9	29,295	9.8	12,552	7.0
Total	120,384	100.0	298,911	100.0	178,527	100.0

Source: Computed from Thailand Population Censuses of 1960 and 1970.

of the increasing migration to the GBM from the Northern and Southern regions.

Factors Related to Migration

Despite the effort in delineating and identifying types of internal migration in Thailand, it is essential to clarify their interrelationships as well as the causes of migration patterns that would be useful in economic development planning. A number of factors affecting internal migration have been indicated as reasons for migration in Thailand. In 1962, the International Labor Office[2] reported that the factors in both of donor system (places of origin) and host system (places of destination) operated as causes of migration in Thailand. Among these factors in the donor system were the need for land, shortage of water, sterile soil and land tenure, and the absence of industries in rural areas. In the meantime, the factors in the host system were seasonal needs for farm laborers, wage differentials, inducement of friends and relatives, and desire for fertile land, and the need for further education, particularly in the GBM. However, no statistical breakdown of the comparative weight of these factors was provided.

In 1957 Marian R. Meinkoth[3] interviewed Northeastern migrants into the GBM regarding reasons for migration. The report revealed that almost 80 percent were looking for

work and 15 percent gave the reasons of the lack of food or inability to grow rice at home. In 1967, a study of the migrants in the Kamphangpet resettlement area was conducted by Chamriang Phavichitr.[4] The report pointed out that economic factors, particularly in agricultural production, were the main reasons for migration. This conclusion was similar to that of a study by Chapman and Allen[5] in relation to migration in Thailand in 1965. The study reported that the opportunities for more productive cropping, particularly in irrigated land of government projects, were the reasons for inmigration to the area.

In 1969, the longitudinal survey of social, economic, and demographic change in Thailand was undertaken by the Institute of Population Studies,[6] Chulalongkorn University, Bangkok. This report indicated that more than 50 percent of the migrants who moved into the GBM and other provincial urban areas made decisions in migration relating primarily to economic factors. Such economic factors were related to employment. Besides economic factors, other relatively important factors, were continuing study, particularly in the GBM, by following relatives or friends and marriage, better standard of living. Therefore, economic factors were very important in relation to the internal migration in Thailand during the previous two periods.

The Pattern of Migration and Economic Development

The role of internal migration, particularly in terms of interregional and intraregional migration, in relation to economic development in Thailand is very difficult to indicate because of lack of the available specific data. However, this can be roughly facilitated by taking into account the factors related to migration and the rates of population growth and natural increase of the population especially in those of urban areas. Table 5.3 shows the population growth rates of the thirteen largest cities in Thailand during the period 1960-70. In addition, the natural increase in growth rate of the urban area (the municipal area), during the period 1964-65 is shown in Table 5.9.

As evidenced by the tabulation of Table 5.3, the GBM had a striking rate of population growth of about 7.5 percent compared less than 5.1 percent of the next twelve largest cities of the country. Given the growth rate of natural increase of all urban populations to be equal to 2.4 percent, as shown in Table 5.9, it is not surprising that the GBM's population growth rate was the largest because of interregional migration and intraregional migration from the Central region, as indicated by the previous measurements of migration to and from the GBM in relation to the four regions of the country. If this interpretation was correct, the population growth rates of the

Table 5.9--Crude Birth Rate, Crude Death Rate, and Natural Increase Rate by Regions, 1964-65

Region	Crude Birth Rate (%)	Crude Death Rate (%)	Natural Increase Rate (%)
Whole Kingdom	4.18	1.09	3.1
North	4.37	1.24	3.1
Northeast	4.35	1.14	3.2
Central	3.97	1.04	2.9
South	4.09	0.86	3.2
Municipal Area	2.99	0.56	2.4
Nonmunicipal Area	4.32	1.13	3.2

Source: Adapted from the Survey of Population Change, 1964-1965, National Statistical Office, Bangkok, Thailand, 1967.

next twelve largest cities of the country would have been less influenced by the interregional and intraregional migration.

In this connection, the higher net gain and the higher net loss in relation to the interaction of the interregional and intraregional migration would have been associated with the interrural migration. If this interpretation is held true, the major determinant to the pattern of internal migration in Thailand would be characterized by interrural migrants, particularly within the migration regions, for agricultural opportunities in the irrigated development areas. At the same time, the other pattern of the internal migration in the country would be characterized by the metropolitanization, migration to and from the GBM for the opportunities in nonagricultural employment, and for other social values.

Development Planning and Agencies

In Thailand, planning agencies for economic development may be classified into two categories--central and local planning agencies. At the national level, as discussed in Chapter III, the NEDB is the national central planning agency for economic development of the country, under the supervision of the NEDB Executive Committee and attached to the Office of the Prime Minister through the secretariat of the NEDB. The procedure of plan

formulation and implementation was discussed also in Chapter III. The Department of City and Country Planning in the Ministry of the Interior is responsible for urban and regional development planning, as the national central planning agency. This department was established by the Thai government under the Reorganization of Ministries and Department Act, October 1, 1962. It was designed for the purpose of close coordination of all ministerial agencies with the NEDB and the Budget Bureau, and as an essential ingredient in the success of the long- and medium-term plans as well as the short-term plans.

A number of specialized divisions of this department deal with the various aspects of physical planning such as the preparation of the comprehensive plans of major urban centers of the country; surveying and compiling relevant statistics for planning; drafting planning legislation and other legal matters; and other public work related to planning proposals. However, most of the planning activities of this department are concerned with urban development, particularly those involving physical planning. Relatively little attention is paid to the preparation of comprehensive regional development plans.

Indeed, there is a small professional planning staff in local planning agencies in the provinces and other local authorities of the country, with the exception for the GBM. In general, the Department of City and Country

Planning prepares the planning proposals for those provincial local authorities and also advises them in preparation of minor programs.

There are many operating agencies in various departments of existing ministries at all levels of government. Since Thailand is predominantly characterized by rural society and agricultural economy, rural development is relatively important to the country. The Department of Community Development was established by the Thai government, under the same reorganization act as the Department of City and Country Planning in 1962, and is attached to the Ministry of the Interior. The main function of this department is to initiate community development programs of the country, on the basis of self-help activities, and to bring about the coordinated support of various ministries in realtion to rural projects under the Community Development Executive and Coordinating Committee. This department, like other ministerial departments, has operating field units in provinces, districts, and villages throughout the country.

Government System

For centuries, the government of Thailand was autocratic in form and authoritarian in spirit with an absolute monarchy. The democratic parliamentary system of government was established with a constitutional monarch

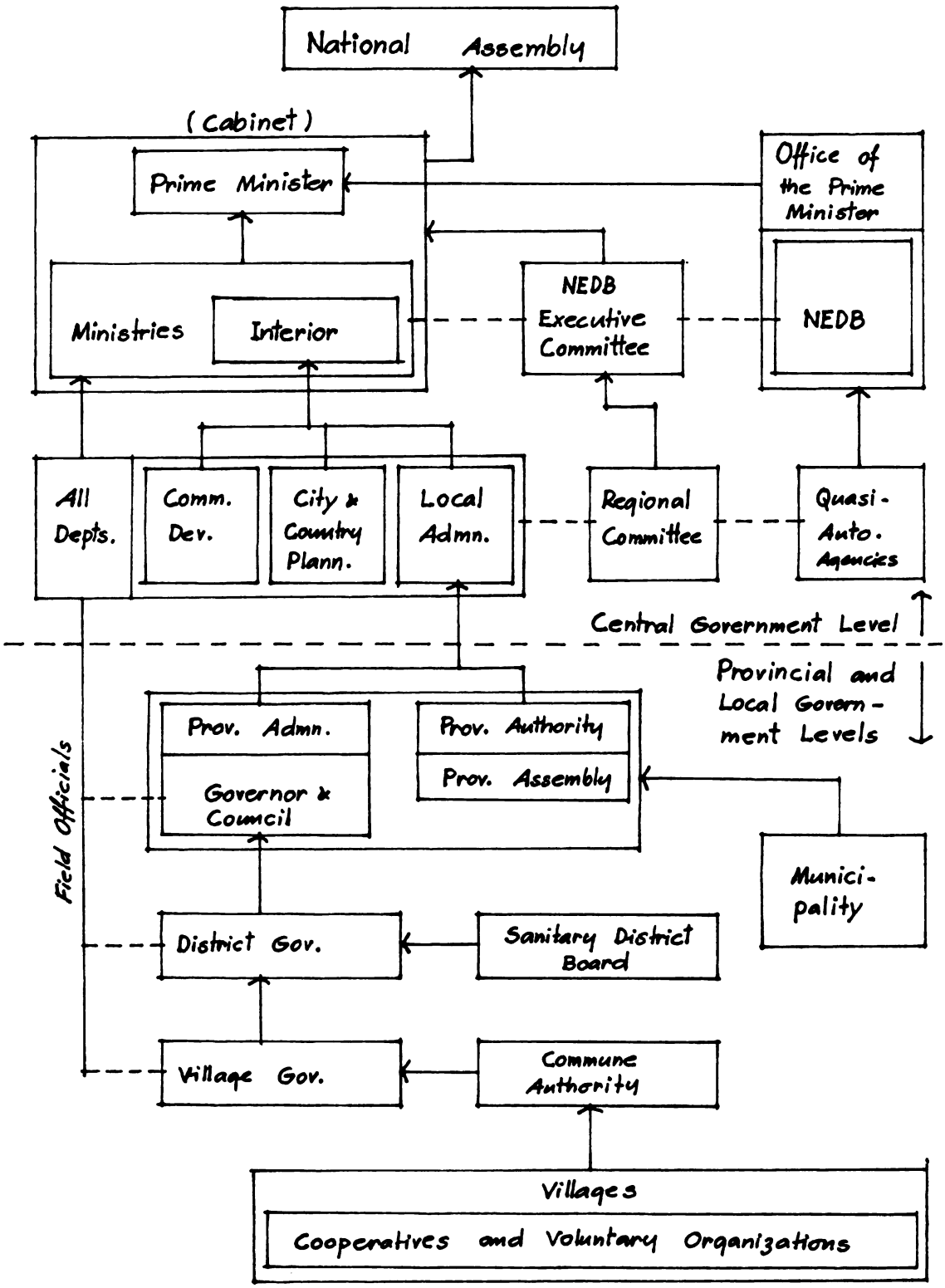
by the 1932 coup d'etat. However, the successive governments, in a highly centralized system, have not been strong; consequently, the government has frequently been controlled by military leaders. According to the formal structure of the contemporary government system, the country is administratively organized into three levels: the central government; the provincial government; and local self-government (see Figure 5.5).

Central Government

The central government is organized into an executive, a legislative, and a judicial system under the constitutional monarchy. Although such establishments are distinguishable on the principle of separation of powers, in reality, the executive body or the Cabinet holds the legislature in virtual subservience, as an advisory body, and supervises the operation of the judiciary. Regarding the National Executive Council's Order No. 218, the central administration is composed of the Cabinet, with the Prime Minister as the chairman, and administrative agencies, which include all ministries and various central departments, and a number of quasi-autonomous statutory agencies. The Cabinet dominates all other divisions of the government in framing and implementing all important national policies; and it is also the center around which the entire political system revolves. All Ministers of State are members of

Figure 5.5--Present Government Structure and Agencies for Development Planning

Source: Adapted from G. L. Harris, U.S. Army Handbook for Thailand (Washington, D.C.: U.S. Government Printing Office, 1968), p. 206.


National Assembly
(Cabinet)
Prime Minister
Office of the Prime Minister
Ministries
Interior
NEDB Executive Committee
NEDB
All Depts.
Comm. Dev.
City & Country Plann.
Local Admn.
Regional Committee
Quasi-Auto. Agencies
Central Government Level
Provincial and Local Government Levels
Prov. Admn.
Governor & Council
Prov. Authority
Prov. Assembly
Field Officials
Municipality
District Gov.
Sanitary District Board
Village Gov.
Commune Authority
Villages
Cooperatives and Voluntary Organizations

the Cabinet, who are chosen by the Prime Minister. In the meantime, the Prime Minister is selected by the Constituent Assembly and appointed by the King. He is assisted by two Deputy Prime Ministers, who are chosen by him. The Cabinet meets frequently.

In addition, the Prime Minister is served by the Office of the Prime Minister, which occupies a unique status as a ministry. Its functions and duties are complex and extensive. Generally, it has the responsibility of policy formulation, coordination, and supervision. There are many governemtnal offices which are attached to this office, such as the Civil Service Commission, the NEDB, and other national boards and councils.

In terms of administrative agencies, the central administration is organized into many ministries and departments with a similarity in their basic patterns. The political head of each ministry, who is responsible to the Prime Minister, is a Minister of State. The top civil service official in each ministry is the Permanent Under Secretary of State, who is responsible to the Political Minister. Under the Permanent Under Secretary, there are various departments, divisions, and sections which are hierarchically organized into a ministry. Among all administrative agencies, the Ministry of the Interior is an integral part of day-to-day administration of the country.

Provincial Government

The provincial government system of Thailand is organized as a national field administration. It is divided into three levels: the provincial, district, and village governments. There are 71 provincial governments, which are divided into 528 district governments; and these districts are composed of 4,891 communes, which are established as village governments. The Department of Local Administration in the Ministry of the Interior is responsible for the control and the supervision of all field administrative affairs through provincial governors. The governor supervises the administration of national laws and regulations and seeks to coordinate the field operations of the national ministries within the province. He is assisted by a council composed of senior representatives of the national ministries functioning within a particular province, and by the provincial police who are tied to the National Police Department of the Ministry of the Interior.

However, the governor's exercise of power over the representatives of the national ministries is subjected to the delegation of authority assigned by the national ministries and their departments. Thus in practice, some agencies may report directly to their own central departments. It is not surprising that the governor faces serious difficulties in his coordinating role.

Directly under the governor of each province are district officers who are also officials of the Ministry of the Interior. The district officer performs a function as the governor within a district jurisdiction; and he is subject to the latter. At the village level, each commune is led by a chief headman, who is chosen by village headmen from among their number. Although the chief headman and village headmen of a village government are not civil servants, they are paid a small monthly salary and serve as agents of the district officer for a few duties. The chief headman supervises and coordinates the activities of village headmen and also convenes a monthly meeting of the headmen before his monthly meeting with the district officer; thus the chief headman serves as an intermediary between the district officer and village headmen. In addition, he is assisted by a commune executive committee, which is composed of all village headmen and a few locally influential persons appointed by the district officer.

Local Self-Government

In Thailand, the local self-government system is classified into four types: the provincial authority; the municipality; the sanitary district; and the commune authority. At the provincial level, the provincial authority is a corporate body which is responsible for the operation of the work in the province separated from

those designated by the central government. Its duties are to provide and maintain such public services as peace and order and social welfares and also to supervise other activities for the benefit of local people. However, most of the activities are provided outside the municipality and sanitary district in the province. It is composed of two major bodies: the provincial assembly and the governor. The provincial assembly is composed of a minimum of 24 popularly chosen representatives. As the matter of fact, the provincial assembly has only a limited power of checks and balances in relation to the executive council and the governor; and it may be dissolved by the Minister of the Interior.

The Thai municipal government system is the farthest along the road in terms of local self-government. The municipality is composed of the legislative and executive bodies. The municipal assembly is to function as the legislative body; its members are popularly elected. The executive committee is appointed by the provincial governor. The municipality is headed by the mayor who is also appointed by the governor with the approval by the assembly. The municipal affairs are under the supervision of the mayor and the executive committee. In reality, the municipal affairs are subject to tutelary controls exercised by the provincial governor, particularly by the Minister of the Interior who has the power to dissolve the

municipal assembly for reelection purposes.

In smaller urban areas, the sanitary district exists as a corporate entity, but it does not have a separate legislative body as the municipality does. It is administered by the sanitary district board which is composed of exofficio and locally elected members. The district officer is the chairman of the board. At the commune level, the commune authority is provided to perform duties in accordance with laws, rules, and regulations issued by the Ministry of the Interior through the provincial governor and the district officer. The commune authority consists of two bodies: the commune assembly and the commune executive committee. The commune assembly is composed of popularly elected members from each village and all village headmen, who are exofficio members. The commune authority is chaired by the chief headman. Its functions are to carry out local activities in a self-help process with the assistance of the central field officials, particularly those of the Community Development Department in the Ministry of the Interior. Actually, the commune authority's operations are dominated by the district officer. Moreover, both the commune authority and the sanitary district board may be dissolved by the Minister of the Interior through the provincial governor.

At the political level, the Thai government provides very little opportunity for popular participation owing to

traditional conservatism and excessive centralization. At the same time, the politics of contemporary Thailand are primarily concerned with the competition for power by the ruling cliques, particularly those of the military elite, in seeking the control of the governmental machinery. The politics of the military oligarchy have been less concerned with the country's development and public interests. The ruling clique seeks its vested interests. This practice eradicates the progress of the popular democratic system at all levels of government.

Summary and Conclusion

The overall natural resources and ecosystems of the country are mainly based on alluvial soil, substantial rainfall, and a considerably number of rivers and streams, which have been supplemented by canals, especially in the Central region. These natural assets have made the people capable of cultivating extensive rice and rubber plants by very simple methods. Other important supplements of this natural economic foundation are provided by fruits, forest products, fish, and tin. However, the Northeastern region has a very limited quantity and quality of those natural resources for its economic base. Economic infrastructures as well as their patterns for development are required for improving the country's economy, particularly those of irrigation, transportation, and power energy systems.

In terms of the pattern of urbanization in the country during the period 1947-70, the changing levels of urbanization were predominantly characterized by the GBM. However, there were some changes of the urbanization level in other urban areas of various sizes of population. Among 119 urban centers in the country, there were only thirteen cities that had a considerable change in the level of urbanization, led by the GBM. During the period 1960-70, the urban population growth rate of the GBM accounted for 7.5 percent per annum compared to less than 5.1 percent per annum of the next twelve cities. By 1970, all of these cities had a population of more than 40,000 persons and were distributed by regions as follows: Chiangmai, Nakhon Sawan, Lampang, and Pittsnulok in the Northern region; Nakohn Ratchsima, Udonthani, and Ubon Ratchthani in the Northeastern region; the GBM, Ayuthaya, and Chonburi in the Central region; and Hat Yai, Songkhla, and Nakhon Sithammarat in the Southern region. Of course, the size of the population of the GBM was overwhelmingly greater than that of the other urban centers of the country.

As indicated by the results of internal migration in Thailand on the basis of five-year migrants during the periods 1956-60 and 1966-70, the pattern of migration was mainly characterized by the interrural migration for people seeking better agricultural productivity and employment;

and by migration to and from the metropolitan area, the GBM, for people seeking employment in an industrialized society. Economic factors in both of the donor and host systems operated in a value system as causes of migration in the country. The GBM demonstrated strikingly the relationship between the pattern of the internal migration and the urbanization in the country.

Regarding the development planning organization and procedure in Thailand, the plan formulation and implementation were discussed in Chapter III. The NEDB is the central planning agency in economic development planning at the national level. The Department of City and Country Planning in the Ministry of the Interior is also the central planning agency for urban and regional development planning. But most of the work has been concerned with only the physical aspects of urban development. At the local level, planning agencies are almost nonexistent, with the exception of the GBM. At the same time, there are many operating agencies in most ministries and departments at all levels of government. Among them, the Department of Community Development in the Ministry of the Interior is very important in rural development for a developing country like Thailand.

The government system of Thailand is oriented in terms of excessive centralization. It is composed of the central, provincial, and local self-governments. The

Cabinet plays a dominant role at the national central government level, particularly those members from the military bureaucracy. Moreover, the local self-government is virtually controlled and supervised by the central government through the provincial government level under the control of the Ministry of the Interior. On the political level, there is a lack of greater popularization allowed by the government, particularly in the period of the military government.

Taken together in relation to economic development planning, these factors help in understanding problems and future trends of development which are essential for recommending national urban and regional development strategies to achieve the established development objectives of the Thai economy.

FOOTNOTES

[1]Adul Wichiencharoen, "Movement of Population within Thailand," Journal of Public Administration 2 (October 1960): pp. 119-128.

[2]International Labor Office, Report to the Thai Government on Internal Migration (Geneva: 1965), pp. 79-108.

[3]Mariam R. Meinkoth, "Migration in Thailand with Particular Reference to the Northeast," Economic and Business Bulletin 4 (June 1962): pp. 3-45.

[4]Chamriang Phavichitr, Migration in the Resettlement Area of Kamphangpet (Bangkok: Thanmasat University Press, 1972), pp. 116-134.

[5]E. C. Chapman, Internal Migration in Thailand (Hobart: ANZAAS Conference, 1965), pp. 7-12.

[6]Institute of Population Studies, The Longitudinal Study of Social, Economic, and Demographic Change in Thailand (Bangkok: Chulalongkorn University Press, 1971), pp. 35-48.

CHAPTER VI

PROBLEMS, TRENDS, AND POTENTIALS IN THE ECONOMIC DEVELOPMENT OF THAILAND

Problems in Economic Development

In contemporary Thailand, the planning and development of the country's economy were not entirely free from problems during the period of the past two development plans: 1961-66 and 1967-71. Some of the problems were fairly commonplace, others were unique. These problems were not only economic but also were related to natural resources and ecosystems, to social, physical, and political apects, and to the development planning itself. Many of these problems occurred because of the economic development of Thailand. Therefore, it is necessary and worthwhile to examine these problems in that they may reveal obstacles to development which can be corrected.

This discussion will be useful in providing basic information for realizing the future trends of economic conditions in relation to the established development objectives of the country. More important, the discussion will point to the potentials for recommending national urban and regional development strategy which will bring about the

achievement of the development objectives of Thailand. Without an adequate comprehension of these problems, they may endure, frustrating efforts for Thai economic development in the future.

Highly Centralized Government System

In view of the relation of the government system to economic development in Thailand, many political and administrative problems have occurred in the process of development. These problems were pervasive during the period of the past two development plans.

Political System

Thailand has been committed to modernize the government as a democratic parliamentary system. However, since the 1932 coup d'etat, the government has been under the control of the military ruling clique, functioning as a moderate dictatorship. The government has not been able to provide the benefits of economic developmental distribution to the majority of the people. In fact, there has been an increasing disparity of economic wealth and income between the GBM and the other four regions of the country, discussed in Chapter III. At the same time, the military government has provided very little opportunity for popular participation in decision making and the development planning process. Without this opportunity, the society has not been able to articulate its needs and

aspiration. It is not surprising that there has been a threat to the nation in forms of social and political unrest.

In the meantime, the most serious problem in Thailand was that the conflicts between the Cabinet and the Parliament, when the country was being governed in a democratic system, led to a military coup d'etat. This type of political change produced unfavorable effects on economic development by changing development policies, causing discontinuity. In addition, not only was the popularly elected national assembly dissolved following the abolition of the national constitution, but other forms of local self-government were also dissolved. This disrupted public interests at all levels of government and discouraged private investments.

Because Thai politics have been characterized by an elitist competition for power, particularly among military bureaucrats, the center of interest has been in the struggle for such positions and in the distribution of the substantial profits of power. This has led the elite to join the private business sector. Fred W. Riggs[1] has pointed out that this practice would be detrimental to preserving the attractiveness of government careers and obstruct the emergence of institutions which are necessary for the growth of the country's economy. Moreover, there has also been a doubtful government capacity for decision

making, particularly Cabinet decisions regarding budget allocations for development projects. These practices have been antithetical to economic development and also to administrative efficiency and morality.

Administrative System

The Thai administrative system, based on a highly centralized government system, has been a crucial problem in relation to the economic development of the country. The fact is that the administration has been traditionally organized in a large and complex structure with the great concentration of power in the GBM. Although local public authorities in the provinces, municipal and sanitary districts, and commune levels have been established as a local self-government system, in most matters they have had a very little, if any, discretionary authority. Whatever development planning has been undertaken has been conceived in the form of control by the central government; and any development planning from below has not yet influenced planning through the national level. In this way, urban and regional problems have been relegated to the level of local issues; and local public authorities have been expected to solve those tremendous problems. However, it has not been possible for them to do so because the central government has given elements of control to those local authorities only through the Ministry of the Interior.

As a matter of fact, the formation of local authorities in Thailand has resulted from initiatives of the national government, not from the demands of the local people to manage their own affairs. The fact is that local initiatives for local development became increasingly limited because there are many regulations of the national government allowing little room for fulfillment of local needs and aspirations. Therefore, local authorities have extremely limited authority that may be exercised autonomously.

In the meantime, the fiscal administration of the local self-governments has been completely controlled by the central government. Budgeting, receipt and expenditure, revenue collection, accounting, purchasing, and debt management are focal points for procedural and substantive elements of control. Together with local revenue, sources for development expqnditures are generally restricted and inadequate to support local areas, even in minor programs. This has made local public authorities virtually dependent on central government finance.

All local public authorities have been closely supervised by the central government, and all personnel have been appointed by the central government through the Ministry of the Interior except the village officials. Therefore, the Ministry of the Interior has the power related to recruitment, promotion, classification of

positions, discipline, and firing of those local officials. It is obvious that local self-governments of Thailand have almost no control over their own personnel.

In these ways, the central government has entire control over the management of local affairs. Such a control has been achieved by issuing rules and regulations, by governing financial practices, and providing personnel, through the Ministry of the Interior. The most serious form of intervention in local affairs by the central government has been the dissolution of local public authorities by the Ministry of the Interior. This has turned the local self-government into a mere subunit of the Ministry of the Interior. This has weakened local authorities in forming local initiatives and institutional sources for local economic development and other matters.

Deficiencies in Development Planning Organization and Procedure

In consideration of the organization and procedure for economic development planning in Thailand, there were many problems during the past two development plans, 1961-71. It was not only the lack of a conceptual framework of coordination of sectoral development planning with urban and regional development planning, but also lack of a coordination of planning and actions at all levels of government. Moreover, there had not yet been a link between plan formulation and implementation in the

planning process. These problems were crucial obstacles in bringing about effective development planning in the Thai economy. These problems will be discussed in the following sections.

Lack of Urban and Regional Development Planning in National Economic Development

As discussed in Chapter III, the nature of the national economic development plans of Thailand was oriented on the basis of sectoral planning during the period 1961-71. Urban and regional development plans were not part of those national development plans as a spatial dimension of planning. At the regional level, comprehensive regional development plans never existed. Generally, local and regional development plans were concerned only with rural development projects by the NEDB. Although these projects were touted, the fact was that they were mostly palliative in nature. In addition, most urban development plans were oriented on only the physical aspect of planning and completely lacking in area-wide approaches in the context of regional and national economies. In this way, only very little or no prior study of urban and regional development areas had been initiated in the planning process at all levels of planning areas. National economic development planning had been a separate activity without close coordination between urban and regional development planning.

It is not surprising that scarce resources were squandered because the pattern of the capital investment allocation was not based on comparative advantages of developmental locations. Consequently, capital investments were allocated without regard to the equity of the developmental benefits among regions of the country. The large proportion of these projects was concentrated in the GBM. As indicated in earlier analysis in Chapter III, most of the benefits of economic growth and income distribution were reflected in the GBM, particularly benefits to the top income classes. The other four regions remained poorer. Few resources were being used efficiently because of lack of coordination of urban and regional development planning with various sectoral development planning at all levels of government.

Lack of Coordination of Planning and Implementation at All Levels of Government

In Thailand, one of the most obvious shortcomings in the planning process for economic development has been the inadequate coordination of planning and implementation at all levels of government. At the national level, the NEDB Executive Committee is responsible for coordinating plan formulation and implementation of those ministries and departments involved in development planning. However, an ad hoc interdepartment committee of each region has been established for this function at the regional level. In

addition, there have been only rural coordinating committees at other levels of local government. Despite the government effort in initiating this coordinating task, planning and implementation has encountered many severe problems in the process of the development planning.

On the planning level, the NEDB and the Department of City and Country Planning are both national planning agencies. However, the NEDB, which is responsible for national economic development planning, is attached to the Office of the Prime Minister. The Department of City and Country Planning, which is responsible for national urban and regional development planning, is under the Ministry of the Interior. Because of this, the Department of City and Country Planning is not in a position to work closely with the NEDB in coordinating urban and regional development planning with sectoral development planning because the two agencies function in a substantive degree of autonomy. Furthermore, planning organizations at the regional level have never been established; and the Department of City and Country Planning has not been involved in regional development planning in the national context. At this point, integration of development planning at all levels of government has ceased to exist.

A similar pattern of problems has been more prevalent in the provincial and urban levels, with the exception of the GBM. Although the provincial and urban plans

have been prepared through the joint effort of the Department of City and Country Planning and local government organizations, their planning proposals have frequently been considerably modified by the Ministry of the Interior, through the provincial governor, before being submitted to the NEDB. This has led to fragmented and almost totally unrelated efforts of planning at all levels of government by various departmental agencies.

On the implementation level, there have been many different units and operating agencies involved in the process. However, the problems of implementation coordination have been mainly imposed by political and administrative constraints at all levels of government. At the national level, the NEDB Executive Committee, which is responsible for coordinating this implementation has been subject to the control of the powerful Cabinet which is made up of members with vested interests. On a number of occasions, large projects have been adopted in principle by the Cabinet before being remanded to the NEDB for review. But these projects were not included in the original plans for development. At the same time, the members of the NEDB Executive Committee have never fully participated. Certain key members have been kept from activity. The fact is that the coordinating work has been done through unofficial agreement, on the basis of the strongest pull of the powerful groups.

A similar pattern of problems in implementation coordination has also prevailed at the regional level in spite of the provision of an ad hoc interdepartment committee by the government. In reality, most problems have been related to the competition and rivalry among members of the committees. In this way, projects have been too often conceived and executed because of money distribution. At the provincial and local levels, it has not been only the planning that was controlled by the central government, the Ministry of the Interior, but also the implementation, particularly in terms of finance, legitimacy, personnel, and local mangement. In addition, most of the field operation agencies of ministries and departments have been relatively autonomous. This has resulted in uncoordinated actions at the provincial and local levels. Therefore, the lack of coordination of plan formulation and implementation at all levels of government has created a wasteful and inefficient development in the Thai economy.

Lack of Coordination between Plan Formulation and Implementation

It was not only the nature of the development plans at all levels of planning that was characterized by a lack of comprehensiveness, but also there was no link between plan formulation and implementation in the planning process during the period 1961-71. Those developmment plans were only a collection of all projects based on project

analysis alone. There was no programming stage in which all adopted development plans could be translated and broken down into identifiable programs to be executed. Of course, without phasing such programs over time and assuring adequate finance in various public and private sectors, this caused the development plans to become inconsistent. It is not surprising that the allocation of capital investments and other resources as well as the coordination of activities of numerous agencies could not be promoted to bring about efficient development. Thus the gap grew between plan formulation and implementation.

Since the Thai economic development strategy emphasized private sectors in the process of economic development, the lack of program planning which would serve as a guideline with precise information in both agricultural and nonagricultural sectors tended to hinder economic development. In this circumstance, the entrepreneurs were deterred from making large capital investments, particularly in the four regions outside the GBM, because of the uncertainty of government policy direction and also because of high risks in regard to the capital necessary to compensate for the lack of business experience of the Thai middle class. Thus investments continued to be made in more traditional commercial businesses because the prohibitive risk and the uncertainty involved with industrial investments. Most of the growth in investments and

economic developmental benefits had been confined to the largest urban areas, the GBM. This in turn created a low level of savings for investments in the other regions. In addition, this was also a crucial obstacle in guiding public sectors, as well as in providing a basis for an efficient control and review system of the fulfillment of the established development objectives.

Furthermore, one of the major problems in linking plan formulation to implementation as well as in decision making was the lack of both quantity and quality of information, particularly regarding locational units of planning areas. In the meantime, statistical data collection and distribution were almost entirely a departmental affair. Therefore, the task of cooperation and coordination for information exchange had not yet been linked intimately to the planning machinery, even to the National Statistical Office, for these purposes. Consequently, plan formulation and implementation and decision making were based on insufficient information and resulted in an inefficient development and the creation of unforseen problems.

Economic Inefficiency and Imbalance

As seen in the analysis of the economic development of Thailand during the period 1961-71, there were many problems. Although the Thai economy had shown a fairly rapid rate of economic growth and change at the

national level, these had been only partial achievements. More important, the data of the regional levels indicate that the pattern of economic growth and distribution had been more unfavorable in variations between different regions of the country. In fact, more than half of the total production of the economy (GDP) was concentrated in the Central region, a particularly large proportion of it in the GBM. In the meantime, most of the benefits of economic developmental distribution, in terms of income classes, accrued to the top income classes in urban areas, and of course to those in the GBM. Despite the government effort in accelerating rural development in the four regions, the GBM continued to play a very important role in economic dominance. The other regions which constituted the greatest part of the country's population remained poor. This created a widening disparity of economic growth and income distribution in favor of the GBM.

A large proportion of the allocation of capital investments and other resources was concentrated in the GBM. In addition, the GBM had a substantial advance in secondary and tertiary industrial sectors. The remaining four regions showed only very little gains in these sectors because the structure of those regional economies was dominated by the agricultural sector. This tended to create dangerous and chronic imbalances between industry and agriculture, between the regions and the GBM, in the

economic production structure and the pace of industrialization itself. Furthermore, agricultural employment predominated in the four regions in the regional pattern of employment. Comparatively, the productivity of the four regions was very low in relation to the productivity of the GBM. It is not surprising that these problems tended to hinder the economic stability and self-sufficiency of the nation.

All of these economic problems were caused by many factors, both economic and noneconomic. Among those factors were the economic development planning and the government system of Thailand. However, there were other problems that occurred concurrently with the economic problems. These problems reflected difficulty with natural resources, social and population factors, physical, and cultural aspects. They are discussed separately in other sections in the context of the economic development of Thailand.

Deterioration of Natural Resources and Ecosystems

During the past two development plans, 1961-71, there were many problems related to natural resources and ecosystems in Thailand. Valuable forests of the country were excessively exploited. This resulted in severely damaged forests. The unit cost of lumber production increased. Some mineral resources were being rapidly

exhausted. The balance might never be restored by conservation or fresh discoveries, particularly of the best tin deposits. In addition to problems with vegetation and mineral resources, there were periodically destructive floods during the rainy season and lack of water during the dry season, especially in the Northeastern region. Many farmers were driven out by floods and droughts in consecutive years because of the sterility of the land caused by flood or drought. There was a shortage of water not only for agriculture, but also for drinking. There was not yet sound control over the water supply or over soil, forest, or mineral resources.

This deterioration of natural resources occurred beyond the scope of resource conservation. It was related to the amenities and natural ecosystems of the country. For instance, industrial wastes had been flushed into the Mae Klong River, the western portion of the Central region, without appropriate treatment. This endangered the drinking water for many towns and communities along this river. In the Southern and Northern regions, mine acids were washed down killing vegetation and crops. Moreover, long-lasting pesticides were a health hazard to the workers, particularly in multiple crop areas in the Northern and Northeastern regions.

The problem of the destruction of the natural ecosystems was even more marked in the GBM. Acceleration of

population growth and concentration in the city had reduced a number of water bodies for expanding streets and buildings. Ditches and canals were filled, and trees were cut. Consequently, the GBM had a serious problem in its drainage system. During the peak of the rainy season, several parts of the city were submerged; and the flood carried sewage which seeped out of septic tanks. This caused water pollution in the Chao Phraya River and soaked grounds in congested housing areas.

Air pollution in the GBM is generally very common as in other big cities of the world. The destruction of many trees caused the weather of the GBM to be hotter than ever besides causing a reduction of the supply of oxygen-producing greenery and the amenity of open space. In addition, the problem of trash disposal was aggravated by a long expensive haul to open dumps in several outlying sites. This created visual pollution and other disturbing forms of pollution, damaging the environments. In fact, the natural ecosystems and amenities of the GBM deteriorated badly. Thus economic development planning of Thailand increasingly turned away from the importance of natural resources and ecosystems.

Inadequate and Deteriorated Physical Facilities

The primary facilities for education and public health were still inadequate. The same was true for decent

housing in many parts of the country despite considerable efforts in rural development programs. A great many young people left their homes each year to go to district and provincial towns as well as to the GBM for schooling. In some remote areas, the government did not provide schools and staff for the children, thus condemning the children to illiteracy. The mass of the people in the rural areas relied on traditional medical remedies because of the lack of modern medical facilities. More than half of the country's hospitals were found in the GBM. The basic utilities in terms of water supply and sewage system were inadequate in most parts of the country. A health hazard was created not only because many rivers were used for garbage and waste disposals, but also because they were used for bathing and laundering. In addition, electricity was not provided in most rural areas.

In terms of the physical aspects of the economic infrastructure, many rural roads were in very poor condition and maintenance was not adequate. During the rainy season, large sections of the roads became impassable because of flooding, especially in remote areas. Because these areas were not easily accessible for transportation, the farmers were burdened with high harvesting costs. Although irrigation projects had been constructed to store water for agriculture and household uses, the water distribution system had not yet been completed to most farming

areas, except to the areas around the GBM through canals. Public and private storage and flood control work was active but tended to be small in scale and totally ineffective during the period of marked flood or drought. The result was damage to paddy fields and other crops.

In urban areas, the GBM was characterized by a spontaneous development, with a very high rate of urbanization, which created many problems in physical settlements. Slums were scattered all over the GBM with the common features of overcrowded, dilapidated, and deteriorated houses; of inadequate water supply, sewage system, and drainage; of limited access as well as lack of amenities. These were dangerous to health, safety, and morals of the inhabitants. A survey by the Department of Public Welfare indicated that, in 1962, there were 24,150 households in slum areas of the GBM with about 144,900 people.[2] By 1970, the Municipality of Bangkok-Thonburi revealed that there were about 25,000 households, constituting approximately 162,000 persons, living in the slums in the GMB.[3]

At the same time, schools and medical facilities in the GBM were very crowded and inadequate. In addition to the elimination of trees, canals, and ditches for use as roads, parks and recreation facilities were not provided or were overwhelmingly inadequate. The street network was inadequate for the serious rise in traffic congestion

from the huge volume of vehicles. Communication systems and municipal services were not effective.

The subterranean geology of the GBM, composed of a series of alternate layers of clay and sand gravel, is not resistant to an excessively heavy load or moving load of the physical structure of the metropolis. This had caused a considerably amount of damage to buildings and street surfaces. At a depth between 50 to 150 meters, the underground zone contains underground water suitable for industrial and domestic consumption. However, a large amount of the underground water has been pumped out due to the short water supply in the city. It has been hypothesized by Dr. Muktapanda[4] that this might cause the GBM to sink although there has not yet been any technical proof to substantiate this hypothesis. Indeed, it is rather apparent that many aspects of the physical setting of the GBM would tend to hinder its development in the future.

In the provincial towns, the physical settlement problems were not as crucial as in the GBM because of the slow population growth and change as well as less concentration. However, they were also characterized by a spontaneous development of the physical pattern from the lack of comprehensive plans. General problems were related to the inadequacy of decent housings and good transportation facilities; to basic social facilities such as schools, medical centers, and recreation; and to essential utilities

such as water supply and sewage systems and telephone services. These problems reflected the inefficiency of economic development planning in Thailand in relation to physical infrastructures.

Social Dilemmas

Although the Thai economy was growing under the two development plans, many social problems occurred as the consequences of such economic development. As evidenced in the unbalanced pattern of urbanization in Thailand, the population growth and concentration were overwhelming in the GBM; these were the results of rural-urban migration to the GBM from other parts of the country. On the other hand, interrural migration was even more pervasive in the country. On the whole, economic factors determined the pattern of internal migration in both place of origin and of destination.

Despite the large number of interrural migrants who moved because of land development and agricultural production, and rural-urban migration to the GBM and employment opportunity, the fact was that neither agricultural development nor the excessive urbanization of the GBM occurred in response to real economic needs for inmigrant absorption. Rather these movements stemmed from conditions of economic and social insecurity at the places of origin. This situation was not based on the decentralization of

regional urbanization in response to increasing agricultural productivity for the migrants. Without such a provision, the newcomers continued to arrive in areas that were already saturated, resulting inevitably in social problems in both places of origin and destination.

There were widespread indications that the outmigration had severely strained social and economic structures of many rural communities in Thailand, as indicated by the International Labor Organization.[5] In addition, outmigration had caused serious problems of depopulation and manpower loss of the young age groups, particularly those from 20 through 44 years old, in the places of origin of rural Thailand.[6] This would tend to aggravate the stagnation of rural economic activities and institutions which depended on numbers of population. Older farmers were less likely to undertake reorganizations of existing resources themselves because of limits of their physical capabilities, income, and the limited span over which they might realize returns on investments and efforts.

At the same time, many problems arose in the places of destination because the immigrants themselves sometimes found the adjustment to the new economic, social, and subcultural environment difficult. The problems connected to inmigration in rural areas of Thailand were crucial. Haphazard clearing of land and illegal occupation of the forest in shifting cultivation were detrimental

to the national economy and also entailed trouble for the holders. Moreover, an occupation of supposedly vacant land gave rise to quarrels with the alleged previous occupiers; the social tension increased where the occupiers and the squatters were of different ethnic stems and spoke different dialects. The isolation of pioneers clearing the forest in remote areas gave rise to problems to which an economic solution could hardly be found. Farmers sometimes left their land because of harassment by robbers, disease, lack of schools, and access to communication and markets.

The most obvious result of the influx of inmigrants to the GBM from the rural areas was that the problem of unemployment and underemployment became greater because many rural migrants did not have educational training or social background that matched the opportunities available in the industrial sectors of the GBM. However, those inmigrants who found jobs were concentrated in occupations of services which required minimum skills for many of them, their hopes were not realized. Moreover, there was the problem of increasing slums in the GBM caused by the rapid replacement of the old population by inmigrants whose economic status was low. These added a difficult adjustment to problems that were already mounting in those areas. Rarely did the newcomers find sufficient employment in the GBM to improve their condition. In fact, they often

exchanged a mierable rural subsistence for urban living at a lower level. Seldom did their chosen community welcome them; and its institutions did not serve them well. This caused other forms of deviant behavior on the part of emotionally vulnerable individuals and the development of destructive tension between the inmigrants and the host population as well as the increase of criminal activities. These problems were most outstanding in the GBM.

This was true not only for the peasants who left their villages in search of employment in the GBM and who, being unable to find any, went back home, but also for persons holding secondary education or vocational training certificates. This represented a waste of resources and brought about disappointment and bitterness. Some of these consequences had a bearing on the national economy as a whole.

Trends and Potentials in the Development of the Economy

On the basis of an excessive centralization of the Thai government system and the lack of integration of national economic and regional urban development planning, only the GBM had an outstanding role in constituting the country's economic wealth, as discussed earlier. This gave rise to inequalities of economic growth and income distribution among the regions as well as other consequential problems throughout the country. Together with the

rapid increase in population growth the population is estimated to be about 50 million people by 1980, 70 million people by 1990, and almost 100 million people by the end of the century[7]--it is likely that the population will play an important role in Thai economic development for the future. In these circumstances, given that the same pattern and commitment to economic development will be pursued by the Thai government, it is unlikely that the established development objectives will be realized. On the contrary, this will tend to augment previous problems placing the country into a great economic adversity and an upheaval of social and political stability.

An essentially optimistic approach for a more regionally balanced growth of the economy in the country would integrate urban and regional development planning into national economic development planning. Such an integration would be aimed at increasing the agricultural productivity and deliberately promoting a systematic decentralization of the urbanization process to form other economic growth centers for industrialization in the country. In this way, urban and regional development planning would retard the concentration of economic growth in the GBM, and investments would be channelled into areas where marginal returns are low but where they would strengthen the national economic development in a balanced pattern of economic growth distribution. These changes would be based on regionally

comparative advantages and the coordination between sectoral development planning and urban and regional development planning.

The linkage of plan formulation and implementation is a matter of the coordination of planning and actions at all levels of government. These must promote political and administrative decentralization as practicable in Thailand. Integration is, therefore, essential for overcoming the problems and constraints if the government is willing to solve its developmental problems. It is likely that economic efficiency and stability would gradually increase over time as new growth centers and agricultural productivity began to develop a growth momentum of their own. This would lead to the equity of economic growth and income distribution, according to the established development objectives of the country.

Summary and Conclusion

On the basis of a highly centralized government system, with a great power concentration in the GBM, there has been a lack of providing greater popularization on the political level, particularly in the period of the military government. This ruling group has not yet sought the country's development especially economic development, as its primary goal. Rather its interest has centered around the struggle for power and the use of such power for vested interests.

The administrative system of the country has been overwhelmingly characterized by excessive supervision and elements of control in terms of legitimacy, financial and personnel resources, as well as management of local affairs, from the central government in the GBM to local self-governments throughout the nation. This in turn has so greatly reduced the degree of local self-government that these local public authorities have not been able to function efficiently to meet their local needs.

In this connection, the economic development planning of the country has resulted in downward trends without sufficient recognition of the requirements and needs of local areas in the planning process. Consequently, the development planning during the period 1961-71 was characterized by a lack of coordination of urban and regional development planning with sectoral development planning to the comparative advantage of localities of the economy and by the lack of coordination of planning and actions at all levels of government. These led to the lack of linkage between plan formulation and implementation. It is not surprising that most of the capital investments and other resources were concentrated in the GBM. Thus structural transformation of economic production occurred substantially in the GBM, particularly for secondary and tertiary industrial sectors; whereas, the other four regions remained predominantly in the agricultural sector with a great

employment in agriculture. Therefore, the GBM led all regions in productivity efficiency. More important, most benefits of economic developmental distribution occurred in the GBM, particularly those to the top income classes of the country. This in turn caused the poor regions to remain poorer because of the increasing gap of economic growth and income distribution in the country.

Moreover, there were many problems which occurred along with economic problems. A serious shortage of land and natural resources as well as the deterioration of natural ecosystems increased throughout the country. Meanwhile, social and physical problems were exposed: slums and squatter settlements, inadequacy and inefficiency of physical economic infrastructures and other necessary facilities, the spontaneous development of physical settlement patterns, migration, poverty, crime, unemployment and underemployment, the lack of health, sanitation, and welfare programs as well as poor education for the people, and the imbalance of urban and rural population distribution in the country. These problems were related to the Thai economic development.

In this connection, it is felt that the pattern of economic development as well as of economic development benefits was concentrated in the GBM more than in other regions, which remained outside the mainstreams of development and its benefits; this caused other regions to become

poorer. This in turn created many problems in both of the GBM and the other four regions which were already beset by problems. This pattern of economic development was consistent with the pattern of a highly centralized government and with the lack of urban and regional development integrated into national economic development planning.

Therefore it is not recommended that this pattern be pursued in economic development in Thailand. Integrated development planning will be a logical alternative for correcting these problems for the potential of future economic development of Thailand. It will be advantageous if it is properly and deliberately put into practice.

FOOTNOTES

[1]Fred W. Riggs, Thailand: The Modernization of Bureaucratic Polity (Honolulu: East-West Center, 1966), p. 251.

[2]Ministry of Interior, Housing Problems in Bangkok-Thonburi (Bangkok: 1970), p. 22.

[3]Bangkok-Thonburi Municipal Authority, Report of Housing and Social Problems in Bangkok Metropolis (Bangkok: 1972), p. 18.

[4]Dr. Chai Muktapanda, "The Sinking of Bangkok" in Report of the Seminar of Problems in Bangkok Metropolis (Bangkok: Chulalongkorn University Press, 1972), pp. 119-123.

[5]International Labor Organization, Report to the Thai Government on Internal Migration (Geneva: 1965), pp. 109-133.

[6]Sydney Goldstein, The Demography of Bangkok: A Case Study of Differentials between Big City and Rural Population (Gangkok: Chulalongkorn University Press, 1972), p. 23.

[7]National Economic Development Board, Summary of the Report on Population of the Executive Committee to His Excellency, the Prime Minister of Thailand (Bangkok: NEDB, 1970), pp. 1-3.

CHAPTER VII

RECOMMENDATIONS FOR INTEGRATED NATIONAL ECONOMIC AND REGIONAL URBAN DEVELOPMENT PLANNING

In view of the previous discussions concerning economic development in Thailand, integration of national economic and regional urban development planning is essential as an appropriate means for bringing about efficient and equitable economic growth and income distribution. In order to fulfill these objectives, it is recommended that the strategy for the integration should be measured. This measure would provide guidelines in formulating policy and implementing development programs for the Thai economy.

Structure of Regional Urban Growth Centers in Thailand

The national economic structure is the sum of its regional parts, which are composed of urban growth centers and their corresponding hinterlands. The importance of the regional urban growth centers and their rural hinterlands in the national economic system is that they perform the vital function of integrating individuals and

specific groups of a given geographic location into the national system of production and distribution. It is therefore, important to identify the structure of regional urban growth centers that have the potential for economic growth, together with their corresponding agricultural and natural resource potentials as prerequisites for the promotion of economic development in Thailand.

It is suggested that the urban centers of each region of the country would be grouped together as urban growth centers. The grouping would be as follows: Chiangmai, Nakhon Sawan, Lampang, and Pittsanulok in the Northern region; Nakhon Ratchsima, Udonthani, and Ubon Ratchthani in the Northeastern region; Hat Yai, Songkhla, and Nakhon Sithammarat in the Southern region; and the GBM, Chonburi, and Ayuthaya in the Central region. The regions would be grouped hierarchically on the basis of population size. These urban locations are also centers of the transportation system, giving access to sources of supply and to markets which local entrepreneurial organizations, and social and physical amenities for public services.

These urban centers, with the exception of the GBM, would be centers for industrial investment and other infrastructures based on agricultural production and natural resource economy, the size of local markets, and the demand for exporting the marketable surplus. Simultaneously, the demand pull needed for agricultural development would

have to come, in part, from urban industrial sources, as industrial input for agriculture. This in turn would increase the demand for employment in nonagricultural sectors of the economy in urban growth centers, and the rural surplus labor would have to be trained and transferred to nonagricultural occupations. Consequently, rurual-urban migration would be channeled to those mature urban centers prepared to absorb it, diverting the migration streams from the overcrowded GBM.

In this fashion, the functional hierarchy of those urban growth centers would gradually move from a relatively immature stage to more mature configurations and relationships. Once the functional hierarchy of these regional urban growth centers is firmly established, they would tend to perpetuate themselves in sustained economic expansion and with a high level of specialization. This would counteract the overwhelmingly centralized economic growth of the GBM and the backwash effect of undirected growth distribution. This would also improve chronically depressed regions of the country by systematic decentralization of the urbanization process, creating balanced regional economic growth distribution.

In addition to building up the structure of urban growth centers for industrial development in each region, agricultural productivity would also have to be increased in a way which would respond to marketable industrial input.

The productivity of agricultural output of Thailand would be improved by expanding available arable land; by expanding irrigation, particularly its distribution system; by establishing soil conservation; and by providing an appropriate mechanization in different areas. Scientific research would bring the technology for increasing yield of agricultural products and for developing natural resources in such a way that they would be efficiently utilized for maximum long-term economic benefits.

Moreover. greater accessibility to the market centers in those urban growth centers would be provided by improving the transportation system in the rural areas. The provision of various agricultural extension services would be strengthened in assisting farmers in terms of pricing, marketing, credits, land tenure, and so forth. In addition, rural development programs would continue in community development and promoting cooperatives and other voluntary organizations for the benefit of farmers. Many of these rural development programs and projects would use existing skills. On the whole, the agricultural input would be largely dependent on domestic goods and services.

It would be possible to measure agricultural development and natural resources to aid in improving agricultural productivity and considering resources for marketable industrial input. For instance, a further expansion of rice production by the use of modern techniques might be

facilitated, particularly in double cropping rice land in the Chao Phraya Plain of the Central region. And the improvement of cultivation of rain-fed crops might be fostered in the Northern region. In the meantime, the improvement of the agricultural economy of the Northeastern region might be developed through various means, such as the encouragement of a steady shift in the multiple-cropping pattern with less emphasis on rice, and shift to a greater emphasis on pasturage and livestock. In the Southern region, the advantage of major opportunities for agricultural development might be provided by the possibility of expanding rubber and marine fish production. Forestry and mineral resources would be ultimately needed for conservation throughout the country.

Therefore, by identifying the structure of urban growth centers for industrial development and raising agricultural productivity in Thailand the national economy would be made up of several fully integrated regional economies. Most significantly, this would be an essential basis for comprehensively delineating urban and regional development, region by region, adjusting regions to each other and integrating them into national economic development. The pattern of economic growth may not be smooth at the early stages of development. However, the dynamic spatial structure of economic development will move from relatively immature to more mature configurations and relationships

at the later stages. This would lead to a balanced economic growth distribution among the regions.

Improvement of Economic Development Planning Organization and Procedure

To establish efficient economic development planning, an appropriate improvement in organization and procedure is required for integrating urban and regional planning into national economic development planning. These needs will be discussed in the following sections.

Coordination of Sectoral Planning with Urban and Regional Planning

In order to facilitate a balanced growth of the economy by providing a dispersion of urban-industrial centers and increasing agricultural output and efficiency, a linkage between the national economic development plan and regional urban development plan must exist at all levels of government. It is therefore, recommended that urban and regional development planning be coordinated into economic sectoral development planning as well as global development planning in the national context. This integration would permit all levels of government to produce comprehensive development plans which would be compatible with the overall national development objectives. Each sectoral development project would be appropriately located so that its impact would be part of a balanced pattern throughout different parts of the country.

In this way, the development planning would shift from national to regional and urban levels in relation to sectoral development planning. Such a coordination would overcome some of the difficulties inherent in detailed planning done exclusively by the central planning agency without regard to local needs. It would integrate the existing variety of rural and urban development programs into a comprehensive whole, covering different geographic areas. And it would guide sectoral investments and other related programs into a coherent program which would be more efficient and consistent with national economic development policies and with permitting the combined yields to be greatest.

Therefore, such a coordination of different types of development planning would be likely to bring about an equitable distribution of the fruits of economic growth among the various regions and sections of the population of the country if it can be fully utilized so as to ensure that it covers all urban industrial and agricultural regions. Taken together, urban and regional development planning in the national context would be important and complementary to the Thai economic development objectives.

Coordination of Planning and Implementation at Various Levels of Government

In Thailand, there has not yet been adequate coordination of planning and actions in economic development at all levels of government. The establishment of a fully effective coordination upward and downward at various levels

of government in the planning process is essential for integrating urban and regional development planning into the national economic development planning. Recommendations will be made for joint responsibility of local, regional, and national levels for efficient economic development planning and actions. See Figure 7.1.

Coordination at Commune Level

At the village level, the commune authority is the local self-government. It has the same boundary as the village government and contains approximately eight villages. However, it has been virtually under the control of the Ministry of the Interior through the provincial governor and district officer. Moreover, there have been many fragmented organizations engaged separately in development efforts in a given commune authority. Therefore, it is very difficult to facilitate efficient development activity. In coordination of planning and actions in the commune authority, it is recommended that the Commune Development Committee (CDC) would be established, consolidating existing separate units of local organizations within the commune authority. These local organizations include cooperatives and other voluntary groups, notably farmers' groups, occupational groups, woman and youth groups, and teachers' groups besides the commune authority itself, the village government, and other field agencies.

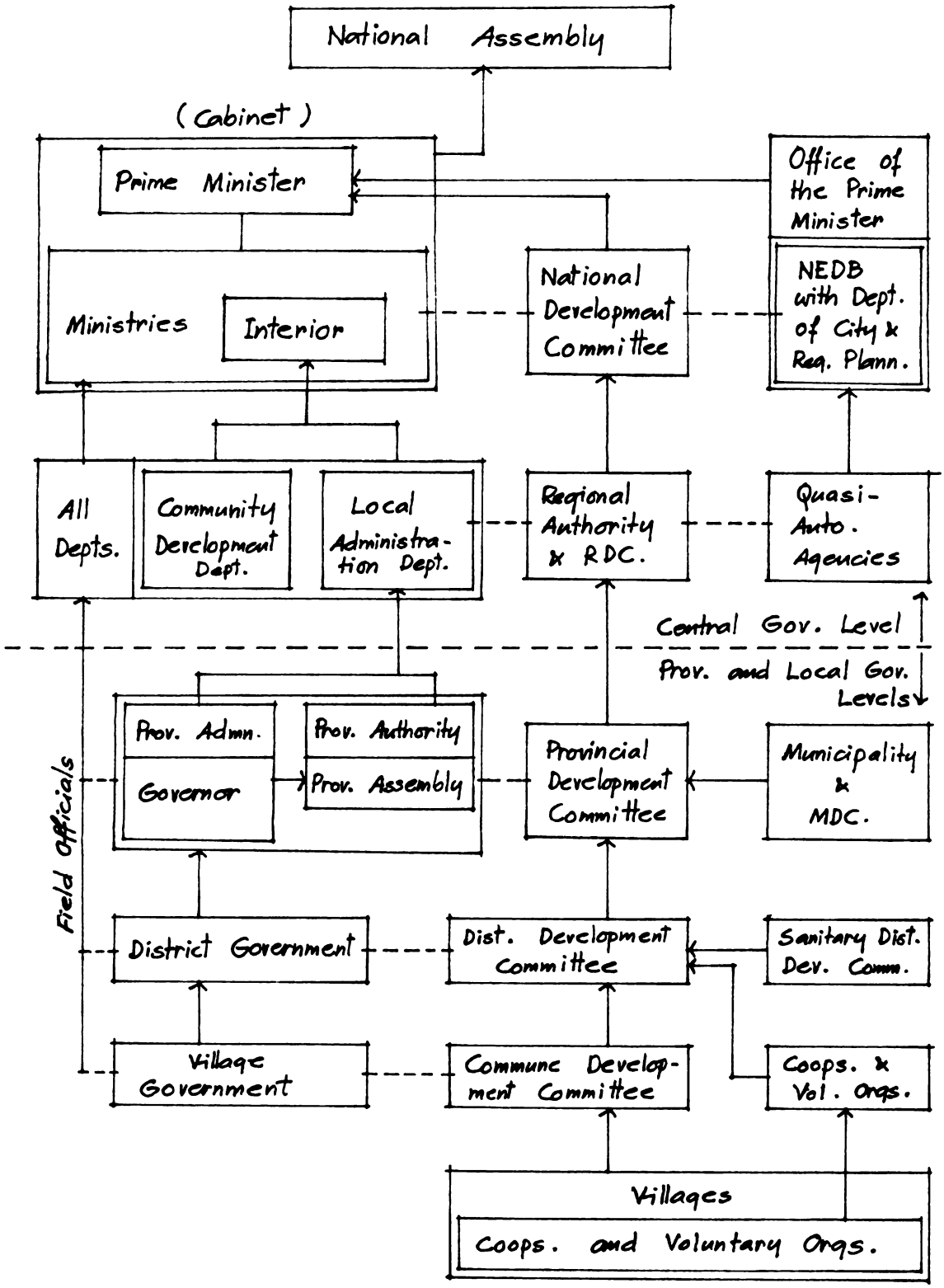


Figure 7.1--Proposed Government Structure and Organization for Coordination of Planning and Implementation

In this way, the CDC would be composed of representatives of cooperative and voluntary organizations, the commune authority and other field agencies. The CDC would select its own chairman from among its members. The CDC would function as an advisory body to the commune authority and be responsible for bringing about plans and interests of various organizations, reviewing plans, capital budgets, and sources of finance, and coordinating the overall planning of the commune authority. Then the CDC would submit those plans along with those programs of various ministerial departments to the District Development Committee (DDC).

In the meantime, the CDC would work closely with the district officer and other field officials through the DDC for technical assistance, particularly of rural development field officials of the Community Development Department in the Ministry of the Interior providing a self-help process. These officials would assist the commune organizations in planning and execution of their projects, as well as in training and conducting their local interests and affairs. In addition, the CDC would indicate the appropriate way for carrying out these plans to various responsible operating agencies.

Coordination at District Level

At the district level, no authority exists for planning and action. The district area, which contains eight to twelve commune authorities and one or two sanitary districts as local self-governments, is under the responsibility of the provincial authority in providing public services and development activities. In fact, those commune authorities and sanitary districts have been under the control of the Ministry of the Interior through the district government, the district officer, and the provincial governor. This has blocked the linkage of local self-government from commune and sanitary district levels to the provincial level.

In addition, since each province contains about eight sanitary districts and seventy communes, it is considered too large for providing an efficient coordination of planning and actions from the commune and sanitary district levels to the provincial level. In order to fill the gap of such a coordination, it is recommended that the District Development Committee (DDC) should be established as an appropriate intermediate level for coordinating work between the commune and sanitary district levels and the provincial level. At the same time, the Sanitary District Development Committee (SDDC) would also be created for a similar function as the CDC for coordination of planning and action at the sanitary district level. The SDDC would

select its chairman from among its members and work closely with the district officer and other national field officials through the DDC.

Since it would enhance local organizations, the joint formation of a cooperative union and voluntary organization would be encouraged at the commune authority. This would provide local organizations with competent members for initiating their own interests, planning, and other development activities. In this connection, representatives of cooperative unions and voluntary organizations in the commune authority and sanitary district, as well as of each commune authority and sanitary district board, and of the district officials and field officials would be united to form the DDC. The DDC would be chaired by the district officer for stimulating and strengthening development at the district level, but he would not have the right to vote.

The DDC would advise and guide the CDC and SDDC in providing a means for evaluating plans, preparing application for the central government grant-in-aid, coordinating work, as well as encouraging the cooperation between the CDC and SDDC in a common program. Furthermore, the DDC would coordinate those plans of the lower levels of government and those of various ministerial departments for bringing about the overall district development plan and indicating an appropriate implementation of these plans to

different operating agencies, as well as for submitting those plans to the Provincial Development Committee (PDC).

Coordination at Provincial Level

At the provincial level, there are two types of local self-government in Thailand, the provincial authority and the municipality. They are entirely subject to the tutelary control exercised by the Ministry of the Interior through the provincial government or the provincial governor for any planning and actions related to economic development in their jurisdictions. It is not surprising that they cannot function, for this would reflect the real local self-government purposes as well as the public interests and welfare of these local people. Moreover, there are many national central government agencies, including the quasi-autonomous statutory agencies and other local agencies involved in planning and actions in these areas, and there is very little effort for cooperation and coordination in these development activities. In order to overcome this weakness, it is recommended that the Municipal Development Committee (MDC) and the Provincial Development Committee be established for coordination of planning and implementation purposes in the municipalities and the provinces.

In the municipality, the MDC would be composed of representatives of central government agencies, quasi-autonomous statutory agencies, voluntary organizations, and

the municipal authority. The MDC would be headed by the mayor, but he would not have the right to vote. The MDC would be an advisory body, and would function similarly to the previous development committees. Because the function of the city is rather complicated, it is essential to provide a planning staff for the municipality who are capable in urban development planning. The municipal planning staff would be responsible for preparing the comprehensive plan of the city. The planning staff would be nominated by the Minister of the Interior, with the recommendation of the Department of City and Country Planning in the NEDB. They would be selected by the MDC for their competence. The planning staff would select its own chairman and be attached to the mayor's office.

The MDC would be responsible to coordinate all plans of the other agencies and integrate them into the comprehensive plan of the city as well as to indicate efficient ways of implementation to responsible operating agencies. In addition, the MDC would submit all development plans to the PDC.

At the provincial level, the PDC would be composed of representatives of national field officials as well as officials of semipublic agencies in the province. The chairman of each DDC, the district officer, and the chairman of each MDC, the mayor, would also be members of the PDC. In order to strengthen the representation of local

authorities and the people's organizations in the province, representatives of voluntary organizations and cooperative organizations who are adequately competent in representation of public interests would be included in the PDC. In addition, since members of the provincial assembly remain a limited authority and function as merely a legislative body, it is advantageous that representatives of the provincial assembly would be united in the PDC. This would enhance the local representation in planning and development activities of the provincial areas. For stimulating the government officials in response to development functions, the PDC would be chaired by the provincial governor. However, he would not have the right to vote.

Because the province has a large population and geographic area, multiple levels of government, as well as a complex urban and rural development activities, it is indispensable to have a planning commission at the provincial level. The planning commission would carry out surveys of all basic data in the province and formulate the comprehensive plan of the province for integrating those plans prepared by other government agencies and lower levels of local authorities. In order to form the provincial planning staff, the Minister of the Interior would nominate a group of qualified people who are capable and interested in overall development planning of urban and regional contexts in consultation with the NEDB. They would be

selected by the PDC. In addition, the planning commission would be served by an officer with technical qualifications, appointed by the NEDB; he would be an advisory consultant to the provincial officers and the lower levels of local authorities in planning techniques. Furthermore, the planning commission would advise the lower levels of local authorities in carrying out surveys, preparing plans, and exchanging essential information through the PDC. The commission would select its own chairman and be attached to the office of the provincial governor.

Meanwhile, the PDC would provide a session of discussions for coordinating the overall provincial plan submitted by the planning commission with other plans of various agencies and the people's organization. In this way, the approved development plans and programs as well as ways of carrying out these programs by various agencies would be based on consesnsus of the people's representatives and those of government agencies. Then the PDC would submit all approved plans to the Regional Development Committee (RDC). The PDC would be responsible for encouraging a cooperation among the lower levels of local authorities in a common program and for mediating conflicts among them in the provincial jurisdiction.

Coordination at Regional Level

Although Thailand is divided into four regions in terms of administrative context, regional authorities for planning and development activities do not exist. Regionally economic development of the country has not yet been seriously undertaken in relation to the established development objectives of the nation. This has been, in part, due to the lack of comprehensive plans at the regional level, and, in part, due to inefficient coordination of the regional coordinating committee because of a departmental competition for its interests and affairs. It is not surprising that these shortcomings negate the development planning of each region.

Each region of the country has a large geographic area and population as well as many provinces in which a variety of needs, economic resources, and complex ways of life exist. Moreover, each region has a unique subculture and unique problems. These call for vigorous development planning to integrate these regions into national economic development planning. A Regional Development Committee would coordinate such planning and actions for economic development. A regional planning commission would prepare a comprehensive plan for integrating urban and regional development into national economic development planning. In this way, regional authorities would be established in order to overcome the previous problems of the country.

The Regional Development Committee would be composed of competent representatives of each PDC as well as of various ministerial departments involved in regional development activities. In addition, the Regional Development Committee (RDC) would include highly qualified people, who are not necessarily government officials and who may be competent retired personnel, appointed by each Minister of State of a given ministry with the approval of the National Assembly. The RDC would select its own chairman from among its members.

The regional planning commission would be composed of highly qualified people who are interested in overall urban and regional development planning. They would be appointed by the Prime Minister with the recommendation of the NEDB; and they would be selected by the RDC of each region. The regional planning commission would select its own chairman; and it would prepare a comprehensive plan of urban and regional development for each region. Furthermore, technical services would be provided by a regional advisory group appointed by the NEDB. They would be responsible to research technical advice related to planning.

The RDC would be responsible for coordinating development plans of all departments and provinces into the urban and regional development plan prepared by the regional planning commission. In addition, the RDC would

indicate the appropriate operating agencies within its jurisdiction for implementation of these development projects besides mediating conflicts and encouraging the cooperation among lower levels of government in relation to joint programs. Then the RDC would submit those development plans to the NEDB through the National Development Committee (NDC).

Each authority would be located strategically in its region: notably in Pittsanulok for the Northern region, in Nakhon Ratchsima for the Northeastern region, in Hat Yai for the Southern region, and in the GBM for the Central region. These locations are considered to be the center for each region, particularly in terms of the transportation system. At the same time, each regional authority would be tied to the Office of the Prime Minister through its secretariat for administrative and technical services from the NEDB.

Coordination at National Level

As discussed earlier, the coordination of planning and implementation at the national levels is under the responsibility of the NEDB Executive Committee chaired by the Secretary-General of the NEDB. However, most of the problems related to planning coordination have arisen because of the separation in different administrative structures between the NEDB and the Department of City and

Country Planning as the national central planning agencies. On the other hand, the problems related to implementation coordination have been pervasively subject to the political control of the military ruling clique, the Prime Minister and the Cabinet, and to the lack of an active participation of those members of the NEDB Executive Committee, as well as the lack of competent representatives from the regional level. In order to overcome these shortcomings, these problems must be corrected to provide for efficient coordination of development planning.

In this connection, it is recommended that the Department of City and Country Planning be placed into the NEDB. This would enable the NEDB to facilitate integration of urban and regional development planning into national economic development planning. This would also be useful in guiding the regional development planning in the country in a systematic and logical fashion, as well as in evaluating development programs and projects. The NEDB Executive Committee would be reformed into the National Development Committee (NDP) as an advisory body for coordinating planning and actions of national economic development. The NDP would be composed of highly qualified and competent people appointed by the Prime Minister with the approval of the National Assembly. Representatives of various ministerial departments and qualified representatives of each regional authority would be included in the

NDP. The NDP would be chaired by the Prime Minister. However, the Secretary-General of the NEDB would be delegated to direct the NDP for routine functions.

The NDP would be responsible for bringing about the appropriate national economic development plans recommended by the NEDB. Then the NDP would submit all development projects, on the basis of priorities, to the Cabinet for decision making. Any project not scrutinized and recommended by the NEDB would not be presented to the Cabinet. Important and large development projects would be finally approved by the National Assembly. Furthermore, the NDP would determine appropriate operating agencies for implementing the approved development projects. In addition, the NDP would be responsible for providing the RDC with technical consultation, research, and information exchange for development planning and for facilitating the cooperation between regional authorities in common programs.

In this fashion, responsibility for the coordinated efforts for planning and implementation of economic development planning would be shared at all levels of government. The participation and integrity of all members should be attained, and effective communication must also be assured from the national central government downwards and from the local levels of government to the national center through the regional authority levels.

Therefore, the planning process would be coordinated from initial short-range project planning by various operating agencies and people's organizations to a comprehensive planning process which would set long-range development targets and programs. Gradually, this coordination of planning and actions would occur in the areas of technical preparation, definition of resources, financing, and long-range development planning, bringing about efficient integration of urban and regional development planning into national economic development planning.

Linkage of Plan Formulation and Implementation

In coordinating the planning and implementation effectively, plan formulation and implementation must be linked at all levels of government. This aspect of the planning process has been a crucial problem in Thai economic development planning, particularly the lack of programming techniques and essential information.

Since the long-range policies for Thai economic development have certain goals and development objectives, which have been translated into specific development targets, these development targets would be reached by providing development programs and projects on a medium and short-term basis. In this way, the translation of development plans into programs would integrate preliminary programs of all departments and agencies at all

levels of government. This integeated program would establish a logical basis for decision making as well as permitting optimum timing of investments to all public and private sectors with respect to locations for improvements in each region. Therefore, efficient decisions should be made regarding the lapse of time for executing short-term projects, medium-term programs, and long-term plans. Once the programming technique is introduced with relevant information to guarantee adequate results, it would provide a basis for an efficient control and review system of development of the economy.

This would be useful for the preparation of a stock of various projects that would attract private investments and foreign aid. However, the Thai government must take the precaution of eliminating all legal and administrative regulations that block potential domestic and foreign investors. Instead, suitable incentives would be provided. These advantages would enable the private sector to participate in the planning process by providing feasibility studies; by providing precise information on financial and technical assistance and tax incentives offered by the government; and by indicating benefits in return and the experience that the private sector would gain.

In the meantime, the improvement of the information system would be essential in both of quantity and quality of information, particularly the breakdown of information

at all levels of government. Research would be undertaken by the government agencies and universities in Thailand. Long-term research, which is not subject to the day-to-day exigencies of government agencies, would be undertaken by universities. The government institutions would also conduct research directed towards planning and implementation of economic development. At the planning level, the information system would be required for facilitating the diagnosis of conditions, prediction of trends, formulation of plans, modification of policies, and evaluation of consequences of alternative plans and policies. At the implementation stage, the information system would also be needed to formulate, execute, and control the progress of programs and specific projects; and information, in the form of feed-back, would be required to monitor the effect of specific programs, to monitor changing conditions which may require modifications in programs, and to assess periodically the state of affairs, especially maladjustments and deteriorating conditions, so that corrective action could be instituted.

Censuses in Thailand would be designed to provide essential data for planning purposes, at all levels of government, with a view to assembling valuable comparative information on a world-wide basis. Moreover, the important thing to consider in introducing a technologically more advanced information system in a developing country

like Thailand is that one is not dealing merely with a bigger and better and more rapid technology for processing information, but with a new concept of an information system which requires a different way of thinking and doing things. In addition, the data would be gathered systematically on the basis of close cooperation and coordination between statistical and other information units, at all levels of government, regardless of their hierarchical status, including academic and other non-government institutions. In this fashion, improved research and information services would assist in linking plan formulation and implementation besides being useful in efficient decision making, training of personnel for planning and administering development activities at all levels of government.

Decentralization of the Government System

As evident in earlier discussions, the excessively centralized government system of Thailand has not yet played an active role in seeking an efficient process of national economic development. Since societal and economic development must be accompanied by greater political and administrative modernization as a prerequisite for such development, it is, therefore, essential that the national central government accept a clear responsibility for modernizing the government system on the basis of a

practical decentralization of the government system. It should provide a sound political and administrative framework at all levels of government by revising the basic statutes with suitable structure, power, functions, and intergovernmental relations at all levels of government.

A Wider-Based Political System

On the political level, the military junta should revoke martial law and permit political parties to organize and campaign to allow for popular participation at the local self-government and national central government levels. The government should be based on a democratically popular political system. In this connection, major efforts to increase the honesty of the government should be made; a proper relationship between the political leadership and the bureaucracy should be established; and, eventually, civil leadership should replace the military, with the succession to power by institutionalized selection procedures rather than by military coup. In addition, local self-governments should be reformed so that they would be free from constant changes, modifications, and excessive interventions by the central government, particularly the power of dissolution by the Ministry of the Interior.

This would provide for greater popular participation in the economic development planning process through

a democratic parliamentary system at the national level. In the meantime, the popular participation in the planning process of such development would be provided at the local level in the form of representatives for coordinating the planning and implementation. This would convince the people that well prepared plans and projects would contribute to fulfillment of local needs and interests. Consequently, it would encourage popular and voluntary participation in government activities designed to benefit the citizens; to educate local initiative; and to increase local awareness of the larger plans and planning machinery required to attack problems everywhere in the country. Moreover, this would make local government authorities more keenly aware of the people's needs. All possible means of communication would be employed in supporting such a participation.

Although there has been a widely held belief that the Thai people are not very responsive to the democratic system, in fact, they are not allowed to be by the government. More importantly, this is not an age in which the Thai government can count on popular political apathy and submissiveness as a permanent feature in the Thai society, particularly on the part of youth groups, progressive farmers' cooperatives, labor unions, and student groups. All of these groups must be mobilized for development. This would encourage the poeple to support local

organization for development. If these are properly understood, they may supplement each other in the process of economic development. On the contrary, if Thailand fails to attract the political allegiance of its people, national development and stability may yet fall.

Integrated Administrative System

Regarding the administrative level, it is recommended that an integrated administrative system be set up as part of the decentralized government system to reform the Thai administration. The proposed system is not very different from the existing system. However, reform would be more beneficial if made step-by-step. This integrated administrative system would be based on the concept of partnership between local self-government and the national central government through the regional authority. This would encourage a more coordinated effort and shared responsibility, at all levels of government, through the establishment of effective communication. In addition, the national central government would assist all local authorities in providing essential resources which would enable them to perform their functions efficiently in fulfilling their local needs and interests for economic development activities.

In this connection, the integrated administrative system would provide the benefits of uniformity and

mobility in the personnel system of the country through a horizontal transfer and vertical transfer at both local and national levels of government. This would assist the weaker local authorities to employ well-qualified persons because local authorities would be able to recruit on a regional and national levels. In this way, the National Civil Service Commission of Thailand would assist local authorities in building up their personnel systems and in other essential matters related to this context. Actually, recruitment of personnel based on education and training, at all levels of government, would be reflected in the national manpower plan. Furthermore, the ease of transfer between horizontal and vertical levels of personnel would also encourage capable individuals to make the public service as their career because it would assure them of greater opportunities in such a transfer.

In the meantime, the training of personnel would be dealt with within the context of development at all levels of government. At the top level, the training would be oriented toward policy preparation, techniques of administrative coordination, basic research and plan formulation in various fields. At the lower levels, the training would be more concerned with implementation. In addition, training in rural development would be assisted by the national field officials in plan formulation and implementation, especially by the Department of

Community Development in the Ministry of the Interior, through the development committees at the local levels.

In terms of financial assistance and supervision, the financing of development programs would be undertaken on an intergovernmental basis, through clearly established procedures by the central government, because adequate finance is a basic resource needed by local authorities. This would enable local authorities to contribute more actively to the local development process. It must be assured that local authorities would have access to the capital resource that they require for development. Local authorities would have the power to raise revenues in the form of taxes or user charges, and to have a share in the proceeds of taxes collected by the central government as well as access to loans for expansion of basic facilities.

This would assist local authorities to play a vital role in planning and actions of economic development throughout the country. Gradually, the local authority would have the capability and willingness to assume the responsibilities given by the central government, which would initiate participation in the planning process, facilitate fulfillment of local needs and aspirations in economic development activities.

Summary and Conclusion

All of these recommendations for national development strategies for integrating national economic and regional urban development planning are proposed to guide the Thai economic development planning to bring about the equity of benefits from economic growth and income distribution throughout the country. A functional hierarchy of the structure of urban growth centers, for industrial investments, in response to the rural development transformation, with increasing agricultural productivity would be built up in each region of the country. The coordination of sectoral planning into urban and regional planning and the coordination of planning and implementation of various agencies would link plan formulation and implementation of such economic development at all levels of governments. In addition, practicable decentralization of the government system would be undertaken on the basis of a democratic system with greater popular participation and integrated administration for strengthening the capability of development planning at all levels of government.

These recommended development strategies are by no means mutually exclusive; on the contrary, they are complementary. The success of these recommendations would depend on their feasibility.

CHAPTER VIII

SUMMARY, CONCLUSIONS, AND SUGGESTIONS FOR FURTHER STUDIES

Summary of Evaluation of Economic Development in Thailand

Conceptually, the economic development planning of a country is related to a deliberate promotion of economic growth and change to achieve the established objectives. The process of such development planning is complex not only because it involves promotion in an economic context but also because it involves the country's institutions from previous development planning. For example, these institutions are based on political, social, cultural, and other economic and noneconomic value systems. Some of these concepts of economic development planning were used in Thai economic development as a general philosophy, during the period 1961-71. However, there were many problems related to economic growth and change in Thailand. Equity of benefits of economic growth and income distribution in the country presented particularly severe problems when viewed from previously established goals.

It is, therefore, necessary to evaluate the past two development plans of Thailand (1961-66 and 1967-71) with the aim of improving economic development planning in Thailand for the future. The central focus of this dissertation is to evaluate the performance of these two development plans against the established development objectives as well as against the statement of basic hypothesis which are based on a highly centralized government system in which urban and regional development is not integrated into national economic development planning. This is a complex means for such an analytical study. In addition, a simple method is applied for quantitative measurements based on available statistical data, and with the aid of available qualitative data such as social, political, cultural, and other noneconomic parameters which are related to development.

Major Findings

During the period before the 1850s Thailand was virtually self-sufficient because of its rich agricultural production. However, after the 1850s, the economy was weakened by the intervention of powerful Western countries. This trend continued until the late World War II and Korean War boom. By 1959, the Thai government had committed itself to accelerate economic growth and to improve the equity of economic growth and income distribution in the

country by producing two formal economic development plans, 1961-66 and 1967-71. These two development plans were formulated by the NEDB, the national central planning agency.

Overall Performance

As indicated in Chapter III, the performance of the first plan met the overall growth rate of the established target, 7.3 percent per annum, with an average growth rate of about 8.3 percent per annum. On the contrary, the performance of the second plan failed to meet the established target, 8.5 percent per annum, having an average growth rate of approximately 7.7 percent per annum. In addition, there were also many industrial sectors which failed to reach the expected targets during the past two development plans.

Comparative Performance

Capital investment allocation

Compared to the other four regions of the country, the GBM had the highest share of capital investments in the country with approximately 26.6 and 33.3 percent for the first and second plan periods respectively, compared to only 14.6 and 18.5 percent which the Southern region had. The GBM led all regions in capital investment per capita per annum, having 2,465 baht for the first plan and 4,047 baht for the second plan. These figures can be compared

to the 202 baht and 268 baht which the Northeastern region had during the two periods.

Municipal expenditure allocation

The distribution pattern of current expenditures for municipalities was also dominated by the GBM, having almost 60 percent of the national current expenditures for municipalities during both plans.

Structure of economic production

Although Thai economic development was aided by the role of the private sector, most private enterprises were engaged in traditional agriculture in the four region with the exception of the GBM. Thus the structure of economic production of these regions was predominantly influenced by the agricultural sector. There was very little structural transformation in nonagricultural sectors, especially in those of the Northern and Northeastern regions, whose agricultural sectors constituted almost 50 percent of their total economic production. Only the GBM had a substantial advance in structural transformation in secondary and tertiary industrial sectors, particularly in those of manufacture and commerce.

Labor productivity

Furthermore, these four regions were overwhelmingly characterized by agricultural employment, especially in

the Northeastern region in which agricultural workers constituted approximately 92 percent of its total labor force. Consequently the agricultural productivity per worker of these regions was very low. During the first plan period, the economic productivity of the GBM yielded 26,220 baht per worker per annum compared to 1,376 baht per worker per annum yielded by agricultural productivity in the Northeastern region. During the second plan period, comparative figures of the GBM to the Northeastern region were 35,217 baht to 1,552 baht. Therefore, the GBM led all regions in structural transformation of economic production, as well as in labor productivity.

Economic growth distribution

In these circumstances, it is not surprising that most benefits of economic growth distribution had been concentrated in the GBM. During the past two development plan periods, the GBM had the highest output distribution in the national output, with approximately 30 percent compared to only 13 percent of the Southern region. This made the disparity of economic growth wider between the GBM and the other four regions of the country. According to measurements, the economic output per capita per annum of the GBM accounted for 9,384 baht for the first plan period, and increased to 12,141 baht for the second plan

period, compared to 1,263 baht and 1,556 baht respectively for the Northeastern region.

Income distribution

In the meantime, a similar pattern of disparities was also evident in income distribution in the country. Most of the benefits of economic growth distribution were reflected in the higher income classes of the urban areas, particularly those of the GBM. This made the disparity of income distribution between the GBM and the rural areas of the country more marked during the past two development plans.

Considering these inequalities of economic growth and income distribution, the economic development pattern tended to be consistent with the pattern of a highly centralized government, with great power concentrated in the GBM, and without regional urban development integrated into the national economic development planning. These relationships tend to support the basic hypothesis of this dissertation although the significance of their correlation cannot be statistically validated.

Summary of Integrated Development Planning for Thailand

If this interpretation is correct, it would seem that the integration of national economic and regional urban development planning is necessary to overcome these

weaknesses. Such an integrated development planning must be properly placed in national development strategy to stimulate industrialization in regional urban growth centers which would have the potential for economic growth as well as to increase agricultural productivity for transforming rural development. This would aid in decentralizing the urbanization process in the country.

In addition, this planning seeks to coordinate sectoral and regional urban planning, on the basis of comparative advantages, of the various planning agencies and to implement the functions of all operating agencies in a coherent fashion at all levels of government. Moreover, it requires an appropriate decentralization of the government system to improve the capability of local authorities to plan and implement measures complementary to the national development objectives. This integrated development planning is positively conceived for bringing about equitable economic growth distribution in developing countries.

Therefore, the general procedure for integrated development planning of Thailand will require studying natural resources and ecosystems, urbanization and internal migration, economic development planning organization and procedure, and the government system of the country. These have been described in relation to Thai economic development with the availability of adequate data. The

results of these proposed studies will reveal problems and trends of economic development in Thailand. These will also indicate development potentials and recommended development strategies for such integrated development planning which will realize the development objectives.

Major Findings

Government System

According to the results of the study, there were two major and interrelated sets of problems related to the highly centralized government system of Thailand in its economic development during the past two development periods. On the political level, there was a lcak of democratic popularization for development planning of the country's economy. In the meantime, economic development was not sought by the ruling elite, particularly the military. On the administrative level, local self-government was virtually under the control and supervision of the central government. Thus the economic development planning of the country was not achieving its goals, and the central government was disregarding local needs and requirements.

Development Planning Organization and Procedure

In terms of economic development planning organization and procedure, there were inadequate national economic

development philosophies which did not provide the integration of regional urban development. It is not surprising that there had been a lack of coordination of sectoral and regional urban planning in relation to locations for development. In addition, the coordination of planning and implementation providing programming techniques with project analysis and adequate information was not sought at all levels of government.

Consequential Problems

In this connection, the pattern of developmental investments had been concentrated in the GBM. This resulted in a relatively low structural transformation of economic production , particularly those of secondary and tertiary industrial sectors, in the other four regions with a very low agricultural productivity. These had created an increasing gap of disparities of economic growth and income distribution between the GBM and the other four regions of the country. But most of the benefits of such a development had been in favor of the GBM; whereas, the other four regions remained poorer.

As evidenced by earlier studies, economic problems had been major causes of interrural migration, within and between regions, and the migration from rural areas to the GBM. However, the places of destination of migration had never been prepared to absorb those inmigrants. In

addition, this created the unbalanced urbanization process, characterized by the primacy of the GBM in assuming a dominant role in economic, political, social, and cultural positions. This tended to impede the economic development of the country itself. Moreover, there were many social problems in the country, such as social tensions, crimes, slums, unemployment, and unhealthy environments as well as the inadequacy of basic utilities and facilities everywhere. At the same time, natural resources were exhausted, and natural ecosystems and physical economic infrastructures and settlement facilities in both of rural areas and the GBM were deteriorating.

Conclusions

On the basis of an excessively centralized system with great power concentrated in the GBM, economic development planning was pursued only downward, without integrating urban and regional development planning. The requirements and interests of local areas were disregarded. It is not surprising that the coordination of regional urban and sectoral planning was not sought for an allocation pattern of capital investments in appropriate locations of different parts of the country. This resulted in a disproportionate pattern of such allocation so great that the large proportion of capital investments was concentrated in the GBM. In the meantime, the coordination

of planning and implementation was neither provided and was ineffective at all levels of government. Also there was serious weakness in programming techniques and essential basic information for linking plan formulation and implementation.

Consequently, there was a great difference between the structural transformation of the economic production and labor productivity between the GBM and the four regions of the country, the GBM being far more successful. Thus the economic growth and income distribution accrued in the GBM so that those regions which contained about 90 percent of the nation's population remained outside the mainstream of developmental benefits. This created increasing inequalities of economic growth and income distribution in the country.

In this connection, there were many problems throughout the country resulting from this unequal economic development such as social dilemmas, natural resource depletion, inadequacy and inefficiency of physical and social facilities as well as of economic infrastructures, and the deterioration of natural ecosystems and physical environments.

This interpretation being correct based on previous observations and their consistency occurring in a similar pattern in the economic development of Thailand, it would have supported the statement of the

hypothesis. Since this pattern of economic development planning has been recurring, it has tended to prevent the achievement of established development objectives, the acceleration of economic growth, and the equity of economic developmental benefits. This has created a serious threat to national economic stability and national integrity.

In these circumstances, the integration of national economic and regional urban development planning would be optimistic, as potentials of the Thai economic development for the future, in bringing about the achievement of the development objectives on the basis of antitheses which are relatively consistent with previous integrated development planning. With a view to overcoming these shortcomings, recommendations of the integrated development planning will be provided and summarized in the following section.

Summary of Recommendations

In order to solve the problems of Thai economic development, it is recommended that the national economic and regional urban development strategies be integrated. Such integrated development planning is summarized in the following sections.

Structure of Regional Urban Growth Centers in Thailand

The regional urban growth centers of Thailand having potentials for industrial development must be identified. Such urban centers would be identified on the basis of population size, centers of transportation and communication systems, centers of economic activities for marketing and distribution, and available social and physical facilities. Notable centers for each region would be Chiangmai, Nakhon Sawan, Lampang, and Pittsanulok of the Northern region; Nakhon Ratchsima, Udonthani, and Ubon Ratchthani of the Northeastern region; Hat Yai, Songkhla, and Nakhon Sithammarat of the Southern region; and Chonburi and Ayuthaya of the Central region. These urban centers would be locations for industrial capital investments based on proximity of natural resources as well as on the need response to increase agricultural productivity of rural areas thus providing an impetus to rural development. They would be centers for strengthening each regional economy to be prepared to absorb rural-urban migration. Building up regional urban centers will decentralize the urbanization of and improve each regional economy as well as counteract the economic dominance of the GBM.

At the same time, the promotion of agricultural productivity, complementary to urban-industrial development,

will be improved in each region by providing the appropriate expansion of available arable land, irrigation systems, mechanization framework, soil and natural resources conservation, as well as by providing a suitable application of technology for increasing yields. In addition, there would be improvement of rural transportation systems, of community development, and of agricultural extension services related to essentially economic infrastructures. Moreover, agricultural inputs would be less dependent on imported goods and services.

Improvement of Economic Development Planning Organization and Procedure

In the meantime, an efficient integration of urban and regional development into the national economic development planning in Thailand would require an appropriate economic development planning organization and procedure. It is recommended that these important aspects be improved.

Urban and regional planning of the national economy should be broken down into sectoral planning. Thus comprehensive development plans at all levels of government could be linked in a coherent manner because the capital investment of each development project would be allocated on the basis of comparative advantages in relation to a geographic location. In this way, development programs at all levels of government could be integrated to achieve national development objectives.

Furthermore, the establishment of organizations for coordination of planning and implementation among various agencies would be provided at all levels of government. At the national level, the NEDB Executive Committee would be reformed into the National Development Committee (NDP) with the responsibility for coordinating work. In addition, the Department of City and Country Planning would be transferred from the Ministry of Interior to the NEDB for close coordination of planning as well as for influencing decision making in national development policies. At the regional level, a development authority would be established as the Regional Development Committee (RDC) to coordinate planning and implementation of work. A regional planning commission would be created for producing the overall urban and regional comprehensive development plan of each region. Moreover, an advisory group for technical assistance to a regional level and lower levels of local authorities would also be set up. Each regional authority would be located in the center of each region and be tied to the NEDB through its secretariat for administrative purposes and technical services.

A similar purpose of coordination would be the responsibility of each development committee at the various levels of local authorities: notably the Provincial, Municipal, District, Sanitary District, and Commune Development Committees; and they would rank respectively

in a hierarchical fashion. To make the overall comprehensive development plan of the province and municipality, a planning commission would be provided. The plan formulation at the district, sanitary district, and commune levels would be assisted by the national field officials, particularly by those of the Department of Community Development in the Ministry of the Interior, on the basis of a self-help process.

At all levels of government, each development committee would be responsible for bringing about an appropriate coordination of development plans and indicating ways of implementation of those plans to responsible operating agencies. In addition, technical assistance from upper levels of government would be provided through each level of development committee in a hierarchical manner. The coordination of planning and actions at various levels of local authority would be the responsibility of representatives of people's organizations and government officials who form a development committee of each level of local authorities. Regional and National Development Committees would be composed of highly qualified and competent people and other representatives of ministries and departments involved in such development activities. However, the Regional Development Committee would also be provided to include those of adequately qualified representatives of each Provincial Development Committee.

If the coordination of planning and implementation, at all levels of government, is to be effective, it is recommended that there be a link established between plan formulation and implementation. Some form of programming technique and project analysis would be applied for translating development plans into integrated development programs having an appropriate sequence of development projects with their priorities regarding lapse of time of investments in various geographic locations for all public and private sectors. In this way, development plans, programs, and budgets would be related to each other so that the established development targets, which are translated from the development objectives of the long-term plan, would be achieved. This would be useful for promoting incentives for inducing private investments, both domestic and foreign investors, as well as guiding the public sector itself in investments and some form of control and monitoring system.

Research and information systems for development planning process should be improved, both in quantity and quality, at all levels of government. Such improvements in information systems would provide adequate basic data for formulation, implementation, and evaluation of plans and policies for all development purposes, and for a logical process of decision making, as well as for administration. The provision of updating census, research,

sample survey, continuous reporting and evaluation of the development process would be oriented to end-use in the information system. Therefore, the establishment of close coordination and cooperation of information units, at all levels of government and other academic and non-governmental institutions, would be provided.

Decentralization of the Government System

In order to strengthen the role of the government system of Thailand in the process of economic development, it is recommended that an appropriate decentralization be required as a prerequisite for political and administrative innovations in such a development based on sound statutes as well as a political and administrative framework at all levels of government. On the political level, Thailand certainly needs something more than self-seeking improvisation based on military coups. the political system would be established to reflect popular wishes and requirements as far as practicable in a democratic process at all levels of government. Political parties and other forms of social organizations would be allowed to express their wishes and requirements in government decision making and development process. This would help to educate the Thai people so that they would become integrated into the local and national development process, with a constructive involvement in political life. In addition, government

leadership and honesty must be established on the basis of substantive criteria.

In terms of administration, it is recommended that provision be made for strengthening the local self-government system on the basis of an integrated administrative system so that local authorities could play a vital role in economic and other development activities. The central government would assist these local self-governments in setting up a personnel system on the basis of horizontal and vertical mobility. This would enhance the capability of local authorities in managing their own affiars, as well as in cooperating and coordinating development activities. At the same time, the central government would assist local authorities in establishing the financial position for development with a sound procedure for raising local revenues and also with grants from the central government for using governmental resources. On the whole, the relationship of the central government and local self-government would be established on the basis of partnership, sharing and responsibilities for fulfilling local needs as well as national interests.

Suggestions for Further Studies

This analysis and evaluation of the national economic development plans of Thailand during the period 1961-71, recommending the integration of national economic

and regional urban development planning, is by no means a complete study. There is lack of comparative data for all levels of local self-government, related to economic development as well as social, natural resources, and physical aspects for planning. Therefore, a study based on comparative analysis and evaluation of regional economic development is necessary. This would be useful in guiding further studies of integrated development planning.

It is suggested that further studies be pursued in formulating the comprehensive policy plans, which would be broken down to integrated development programs and a rational sequence of priorities of development projects to be implemented. This would be an appropriate and systematic means of development planning which would bring about the achievements of the established development objectives of Thailand, the acceleration of economic growth, and the equity of benefits of economic growth and income distribution. In the meantime, different types of development planning in politics, social needs, population, natural resources, and other economic contexts related to economic development planning in Thailand would have to be conducted.

APPENDICES

APPENDIX A

GROSS FIXED CAPITAL FORMATION (GFCF) DATA

Table A.1--Distribution of Public Capital Investments, at 1962 Prices, by Industrial Sectors (Amounts in Millions of Baht)

Time / Investment Sectors	First Development Plan (DP)			2nd DP
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
Agriculture	1,327	2,331	3,658	8,814
Industry & Mining	1,011	1,174	2,185	712
Transport & Comm.	2,538	4,331	6,869	13,209
Power	1,926	2,496	4,422	3,828
Commerce	--	--	--	136
Social Services	3,027	6,159	9,186	17,806
Community Facil. & Welfare	1,749	3,437	5,186	7,925
Public Health	305	696	1,001	2,003
Education	472	1,476	1,948	5,119
Special Programs	501	550	1,051	2,759
Total	9,829	16,491	26,320	44,514

Source: National Planning Division, NEDB.

Table A.2--Distribution of GFCF, at 1962 Prices, by Sectors and Regions (Amounts in Millions of Baht)

Region	Time / Major Investment Sectors	1st Development Plan (DP)			2nd DP
		First Phase 1961-63	Second Phase 1964-66	1961-66	1967-71
GBM	Public	3,376	5,578	8,974	14,984
	Private	8,601	14,487	23,088	41,860
	Total	11,977	20,065	32,062	56,844
North	Public	1,300	2,135	3,435	6,327
	Private	2,459	3,817	6,276	16,899
	Total	3,759	5,952	9,711	17,656
North-east	Public	1,465	2,917	4,382	7,864
	Private	2,759	5,094	7,853	13,375
	Total	4,224	8,011	12,235	21,239
Central	Public	2,430	4,015	6,445	10,606
	Private	4,645	7,187	11,832	19,226
	Total	7,075	11,202	18,277	29,832
South	Public	1,232	1,843	3,075	4,726
	Private	2,332	3,154	5,486	8,741
	Total	3,564	4,997	8,561	13,467
Nation	Public	9,829	16,491	26,320	44,514
	Private	20,771	33,837	54,608	94,624
	Grand Total	30,600	50,328	80,928	139,138

Source: National Planning Division, NEDB.

APPENDIX B

MUNICIPAL REVENUE AND EXPENDITURE DATA

Table B.1--Distribution of Municipal Revenues and Expenditures (Amounts in Millions of Baht), by Regions

Regions	Time / R & E	1961-63	1964-66	1961-66	1967-69	1970-71	1967-71
GBM	Revenue	687.3	1,944.4	2,631.7	1,584.1	1,362.4	2,946.5
	Expenditure	731.0	1,356.5	2,087.5	1,486.5	1,049.1	2,535.6
North	Revenue	150.2	294.3	444.5	295.0	205.5	500.5
	Expenditure	110.5	244.6	355.1	252.4	158.9	411.3
Northeast	Revenue	98.1	223.9	322.0	248.2	211.3	459.5
	Expenditure	77.4	183.5	260.9	237.3	169.9	407.2
Central	Revenue	246.2	400.2	646.4	488.3	333.1	821.4
	Expenditure	165.5	369.7	535.2	400.8	282.7	683.5
South	Revenue	165.6	298.7	464.3	316.1	241.7	557.8
	Expenditure	122.9	227.7	350.6	258.7	187.9	446.6
Nation	Revenue	1,321.6	3,161.5	4,483.1	2,931.6	2,354.1	5,285.7
	Expenditure	1,207.3	2,382.1	3,589.4	2,635.9	1,848.6	4,484.5

Source: National Statistical Office, Computed from Statistical Year Book, 1960-72.

APPENDIX C

GROSS DOMESTIC PRODUCT (GDP) DATA

Table C.1--Distribution of GDP, at 1962 Prices, by Industrial Sectors
(Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agriculture	71,547	83,969	155,516	97,960	74,286	172,246
Crops	53,293	61,782	115,075	65,644	51,797	117,441
Livestock	9,304	10,102	19,406	11,190	8,192	19,382
Fisheries	3,042	5,146	8,188	8,550	8,947	17,497
Forestry	4,108	6,939	11,047	8,103	5,350	13,453
Nonagriculture	120,400	158,401	278,801	215,008	174,168	389,176
Mining & Quarrying	2,223	3,552	5,775	5,322	3,654	8,976
Manufacturing	26,821	36,805	63,626	50,293	42,970	93,263
Construction	9,747	14,368	24,115	21,534	14,084	35,618
Power & Water Supply	1,090	1,896	2,986	3,599	4,087	7,686
Transport & Comm.	13,676	16,970	30,646	21,025	16,754	37,779
Commerce	30,253	39,052	69,305	51,945	42,857	94,802
Social Services	36,592	45,668	82,260	61,134	49,762	110,896
Banking & Business	4,370	6,617	10,987	10,757	10,134	20,891
Ownerships of Dwelling	5,108	5,588	10,696	6,287	4,668	10,955
Public Admin.	8,683	10,208	18,891	12,955	10,780	23,735
Services	18,432	23,340	41,772	31,024	24,180	55,204
Total GDP	191,947	242,370	434,317	312,968	248,454	461,422

Source: National Accounts Division, NEDB.

Table C.2--Distribution of GDP, at 1962 Prices, by Industrial Sectors of the GBM (Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agriculture	236	271	507	284	176	460
Crops	236	271	507	284	176	460
Livestock	--	--	--	--	--	--
Fisheries	--	--	--	--	--	--
Forestry	--	--	--	--	--	--
Nonagriculture	51,227	68,829	120,038	93,604	76,457	170,061
Mining & Quarrying	--	--	--	--	--	--
Manufacturing	11,673	16,572	28,245	23,633	21,408	45,041
Construction	3,503	4,917	7,420	7,422	4,847	12,269
Power & Water Supply	491	738	1,229	1,606	1,533	3,139
Transport & Comm.	6,479	8,348	14,827	10,043	7,970	18,013
Commerce	13,433	17,719	31,152	22,012	16,210	38,222
Social Services	15,965	20,884	36,849	29,116	25,075	54,191
Banking & Business	3,166	4,808	7,974	7,793	7,308	15,101
Ownership of Dwelling	1,623	1,853	3,476	2,359	1,911	4,270
Public Admin.	3,273	3,798	7,071	4,721	3,911	8,632
Services	7,503	10,425	17,928	14,293	11,945	26,238
Total GDP	51,463	69,100	120,545	93,888	76,633	150,521

Source: National Accounts Division, NEDB.

Table C.3—Distribution of GDP, at 1962 Prices, by Industrial Sectors of the Northern Region (Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agricultre	15,362	19,251	34,613	24,323	17,926	42,249
Crops	11,322	14,632	25,954	19,034	7,635	26,669
Livestock	2,360	2,517	4,877	2,618	1,949	4,567
Fisheries	372	186	459	160	327	487
Forestry	1,407	1,925	3,332	2,509	1,715	4,224
Nonagriculture	14,398	17,797	32,195	23,581	19,635	43,216
Mining & Quarrying	118	248	366	659	642	1,301
Manufacturing	2,947	3,570	6,517	4,227	3,494	7,721
Construction	1,289	1,837	3,126	2,837	2,087	4,924
Power & Water Supply	367	703	1,070	1,369	1,517	2,886
Transport & Comm.	1,669	1,705	3,374	2,096	1,628	3,724
Commerce	3,837	4,874	8,711	6,511	2,957	9,468
Social Services	4,171	4,860	9,031	5,882	4,738	10,620
Banking & Business	232	313	545	455	436	891
Ownership of Dwelling	580	615	1,195	650	463	1,113
Public Admin.	1,144	1,345	2,489	1,675	1,410	3,085
Services	2,215	2,587	4,802	3,102	2,429	5,531
Total GDP	29,760	37,048	66,808	47,904	37,561	85,465

Source: National Accounts Division, NEDB.

Table C.4--Distribution of GDP, at 1962 Prices, by Industrial Sectors of the Northeastern Region (Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agricultre	19,115	22,318	41,433	24,336	18,972	43,308
Crops	14,752	17,225	31,977	18,357	14,894	33,251
Livestock	3,703	3,004	5,707	3,640	2,585	6,225
Fisheries	508	814	1,322	922	480	1,402
Forestry	1,092	1,275	2,367	1,417	1,014	2,431
Nonagriculture	14,396	19,127	33,523	25,673	20,882	46,555
Mining & Quarrying	66	154	220	350	270	620
Manufacturing	2,753	3,386	6,139	4,258	3,812	8,070
Construction	1,463	2,815	4,278	4,236	3,663	7,899
Power & Water Supply	63	116	179	255	259	514
Transport & Comm.	1,361	1,754	3,115	2,331	1,788	4,119
Commerce	3,500	4,579	8,079	6,363	5,736	12,099
Social Services	5,190	5,381	10,571	7,880	6,575	14,455
Banking & Business	127	202	329	365	370	735
Ownership of Dwelling	775	838	1,613	911	641	1,552
Public Admin.	1,488	1,729	3,217	2,193	1,885	4,078
Services	2,800	2,612	5,412	4,411	3,679	8,090
Total GDP	33,511	41,445	74,956	50,009	39,854	89,863

Source: National Accounts Division, NEDB.

Table C.5—Distribution of GDP, at 1962 Prices, by Industrial Sectors of the Central Region (Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agriculture	25,001	27,939	52,940	30,604	23,102	53,706
Crops	18,124	19,987	38,111	38,932	14,145	33,077
Livestock	3,002	3,304	9,308	4,036	2,730	6,766
Fisheries	1,238	1,946	3,184	4,745	4,388	9,133
Forestry	6,237	2,841	9,078	2,944	1,894	4,838
Nonagriculture	25,626	34,852	60,478	49,583	39,352	88,935
Mining & Quarrying	660	1,140	1,800	1,695	1,240	2,935
Manufacturing	7,420	10,597	18,017	14,852	11,414	26,266
Construction	2,245	3,274	5,519	4,135	3,251	7,386
Power & Water Supply	112	190	304	523	463	986
Transport & Comm.	2,362	3,380	5,742	4,255	3,786	8,041
Commerce	4,987	6,567	11,554	11,559	9,395	20,954
Social Services	7,616	9,355	16,971	12,276	9,217	21,493
Banking & Business	580	953	1,533	1,585	1,624	3,209
Ownerships of Dwelling	1,628	1,624	3,252	1,657	1,152	2,809
Public Admin.	2,001	2,405	4,406	3,249	2,553	5,802
Services	3,470	4,373	7,843	5,785	3,888	9,673
Total GDP	50,627	62,791	113,418	80,187	62,454	142,641

Source: National Accounts Division, NEDB.

Table C.6--Distribution of GDP, at 1962 Prices, by Industrial Sectors of the Southern Region (Amounts in Millions of Baht)

Time / Industrial Sectors	First Development Plan			Second Development Plan		
	First Phase 1961-63	Second Phase 1964-66	1961-66	1967-69	1970-71	1967-71
Agriculture	11,834	14,191	26,025	18,413	14,110	32,523
Crops	8,909	9,816	18,725	11,875	6,702	18,577
Livestock	1,239	1,277	2,516	1,325	929	2,254
Fisheries	963	2,200	3,163	4,141	3,752	7,893
Forestry	723	898	1,621	1,072	727	1,799
Nonagriculture	14,751	17,795	32,547	22,567	17,842	40,409
Mining & Quarrying	1,379	2,010	3,389	2,411	1,502	3,913
Manufacturing	2,028	2,697	4,725	3,910	2,842	6,752
Construction	1,245	1,525	2,770	1,999	1,457	3,456
Power & Water Supply	57	149	206	296	315	611
Transport & Comm.	1,797	1,783	3,580	2,015	1,582	,3597
Commerce	4,496	5,313	9,809	6,717	5,987	12,704
Social Services	3,750	4,318	8,068	5,219	4,157	9,376
Banking & Business	265	341	606	457	396	853
Ownership of Dwelling	603	663	1,266	722	501	1,223
Public Admin.	776	931	1,707	1,197	1,021	2,218
Services	2,106	2,383	4,489	2,843	2,239	5,082
Total GDP	26,586	31,986	58,572	40,980	31,952	72,932

Source: National Account Division, NEDB.

APPENDIX D

URBAN AND RURAL POPULATION DATA

Table D.1--Urban and Rural Population Distribution by Regions

Region		Time 1960[a]	1963[b]	1967[b]	1970[a]
Bangkok and Thon-Buri Municipalities (GBM)		1,703,356	2,106,881	2,614,356	2,976,655
North	Municipalities	367,335	414,721	478,751	528,178
	Nonmunicipalities	5,355,771	5,823,465	6,465,823	6,960,505
	Total	5,723,106	6,238,186	6,953,574	7,488,683
North-east	Municipalities	312,175	365,165	445,642	514,025
	Nonmunicipalities	8,679,368	9,498,558	10,622,947	11,511,115
	Total	8,991,543	9,863,723	11,068,589	12,025,140
Central	Municipalities	561,736	640,626	742,615	824,716
	Nonmunicipalities	6,012,210	6,205,270	6,524,806	6,810,506
	Total	6,573,946	6,845,896	7,267,421	7,635,222
South	Municipalities	329,263	391,823	474,005	540,678
	Nonmunicipalities	2,942,702	3,174,619	3,485,073	3,730,996
	Total	3,271,965	3,566,442	3,959,078	4,271,674
Nation	Municipalities	3,273,865	3,919,216	4,755,369	5,384,252
	Nonmunicipalities	23,716,135	24,701,912	27,098,649	29,013,122
	Grand Total	26,257,916	28,621,128	31,854,018	34,397,374

Sources: a) Population Censuses of 1960 and 1970, National Statistical Office.

b) Estimated Population by National Statistical Office, Statistical Year Book, 1960-1972.

Table D.2--Percentage Distribution of Urban and Rural Population by Regions

Region	Time	1960	1963	1967	1970
GBM	(Municipality)	100.0	100.0	100.0	100.0
North	Municipalities	6.4	6.6	6.9	7.1
	Nonmunicipalities	93.6	93.4	93.1	92.9
	Total	100.0	100.0	100.0	100.0
North-east	Municipalities	3.5	3.7	4.0	4.3
	Nonjunicipalities	96.5	96.3	96.0	95.7
	Total	100.0	100.0	100.0	100.0
Central	Municipalities	8.5	9.4	10.2	10.8
	Nonmunicipalities	91.5	90.6	89.8	89.2
	Total	100.0	100.0	100.0	100.0
South	Municipalities	10.0	10.9	12.0	12.7
	Nonmunicipalities	90.0	89.1	88.0	87.3
	Total	100.0	100.0	100.0	100.0
Nation	Municipalities	12.5	13.7	14.9	15.7
	Nonmunicipalities	87.5	86.3	85.1	14.3
	Grand Total	100.0	100.0	100.0	100.0

Source: Computed from Table D.1.

APPENDIX E

LABOR FORCE DATA

Table E.1--Distribution of Labor Force (Economically Active Persons) by Regions

Region	Industrial Sectors / Time	1960[a]	1963[b]	1967[b]	1970[a]
GBM	Agriculture	23,847	19,111	22,569	16,966
	Nonagriculture	617,926	731,006	884,252	1,013,016
	Total	641,773	750,117	906,821	1,029,982
North	Agriculture	2,600,983	2,779,458	2,998,250	3,116,758
	Nonagriculture	398,600	437,096	490,481	534,696
	Total	2,999,583	3,206,554	3,488,731	3,701,454
North-east	Agriculture	4,658,208	5,000,259	5,411,906	5,748,075
	Nonagriculture	331,115	384,093	458,925	514,273
	Total	4,989,323	5,384,352	5,909,219	6,262,348
Central	Agriculture	2,596,719	2,653,847	2,736,942	2,786,095
	Nonagriculture	801,888	835,567	882,077	921,276
	Total	3,390,607	3,489,414	3,619,019	3,707,371
South	Agriculture	1,477,895	1,514,842	1,560,620	1,605,158
	Nonagriculture	246,920	281,798	324,607	341,502
	Total	1,724,815	1,796,640	1,886,227	1,946,660
Nation	Agriculture	11,334,383	11,957,517	12,768,154	13,201,901
	Nonagriculture	2,437,721	2,669,560	3,040,863	3,450,366
	Grand Total	13,772,104	14,627,077	15,809,017	16,652,267

Sources: a) Thailand Population Censuses, 1960 and 1970, National Statistical Office (NSO).

b) Report of Labor Force Survey of 1965 and 1969, National Statistical Office (NSO).

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