

Thailand's Economic and Social Development in the Modern Period: from Open Door Policy to Good Governance

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Abstract

Background: *There are the distinct factors affected the economic and social development in Thailand in each period. The study of the historical background of the economic and social development in Thailand is important for understanding its evolution. Furthermore, it provides the data and lesson learned for the present and the future.*

Objective: *The objectives of this study are to explain and demonstrate the economic and social development in Thailand from the King Rama IV period of reign that Thailand has opened the door for Capitalism to the present period.*

Results: *The significant results elucidate the Thai economic and social development in the modern period is effective in some aspects such as the GDP growth, the Thai people's quality of life, the public health care. In the other hand, there are many problems remain come together with the development process such as the illiterate democracy, the environment and natural resources have been depleted and the environment degraded, the increasing of the income gaps etc.*

Discussion and Conclusions: *the sustainable development is necessary so we have to studies to propose the effective strategies for the economic and social development in Thailand. The rational choice development approach will be employed in the future.*

Keyword: Economic and Social Development, Good Governance, Public Policy

Historical Background

The Ayuthian period of Siam, the name of Thailand used before 1939's history came to the end in 1767 (b.e.2310) when Autthaya, the capital city, was captured and sacked by the Burmese armies. But Siam did not remain

long under Burmese power. Even in 1767 Phya Taksin and his followers were regaining control of parts of Siam, and by 1771 Phya Taksin controllnearly all of Siam of the Ayuthian period. He was the later crowed king. For several years he ruled wisely, but then began

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to show signs of madness, and in 1782 was executed. His successor was the founder of the present Chakri dynasty. The Siam kings of the Chakri dynasty are given the title of “*Rama*” (Ingram, C.J., 1997)

Since the mid-1850s, in King Rama IV or King Mongkut's period of reign (1851-1868), the most dramatic trend of Siam's economic and social development has been the transformation to the modern period. The first three kings of the new dynasty had little to do with Western nations, although toward the end of the third reign it became apparent that the traditional isolation from the West could not long be maintained. There were Western missionaries and a few traders in Siam during the first three reigns. , but the principle official Western contacts were made through the missions of John Crawford (1821), Captain Henry Burney (1825), and Sir John Brooke (1850) for Great Britain, and Roberts Mission (1833) from the United States. Burney and Roberts succeeded in negotiating treaties but they were very limited ones. (Ingram, C.J., 1997) The studies begin with the reign of King Rama IV or King Mongkut when he became the king in 1851, he had learned several foreign languages and much of Western history and science and he is the king who employed Mrs. Anna Leonowens to teach his children. While the great powers in Europe had scientific and industrial revolution from the 1750s to the 1850s it began with industrial revolution in Great Britain. It is the consequence of the Steam engine invention by Thomas Newcomen in 1712 (www.encyclopedia.com, 2012) and was developed by James Watt in 1765. (www.egr.msu.edu, 2012) Afterwards, many industries in Europe

were expanded. As the results, the population and urban societies were spread. Unavoidably, the great powers in Europe colonized and sought the resources and the markets for releasing their commodities in many parts of the world. Necessarily, Siam started to open the door for Western diplomats, traders, culture, globalization and capitalism. The modern period of the history of Thailand's economic and social development is as follows:

Open the Door Period 1851-1867 (B.E. 2394-2410)

Since the beginning of the period of King Rama IV or King Mongkut who was ready to accept globalization and capitalism, when British approach Burma and France desired to occupy Indo-China region for opening the door to Yunnan and Tibet. On April 18, 1855, Sir John Bowring, the envoy extraordinary of Great Britain respectfully engaged the royal message from Queen Victoria, the monarch of Great Britain to Siam and King Mongkut unavoidably accepted change made the task of Sir John Bowring. (Pensri Duke, 1984).

Bowring Treaty is the friendship, trade and marine treaty between Great Britain and Siam but known as the “*Bowring Treaty*” was the Siam's socio-economic “*open door policy*”. The results of Bowring Treaty brought the changing of Siam's monopoly-trade system to free-trade system thus Siam revoked the traditional tax to the international tax system. Over the year, the international tax system attracted many traders from many countries and the Siam-traders were also increased.

Furthermore, Bowring Treaty encouraged Siam's modernization with exposure the

Western civilization. Beside this, Siam must change the tradition law system enforced over 200 years to international law system. On the other hand, there were the negative impacts of this treaty such as Siam had lost extra territorial right to Great Britain. Thereafter, King Mongkut had signed the treaties with many countries such as France (1856), The United State (1856), Japan and other European countries. (Pensri Duke, 1984). Great Britain had opened the Siam's market, Siam became Great Britain's partnership in capitalism system. "*Bowring Treaty*" was the first constraint which increased Siam's trade and the second constraint was the geography. According to Chao Phya River as the appropriate route for the trade-boat more than Mekong River, so Siam became wealthier than other countries in Indo-China. The beginning of the capitalism in Siam firstly caused by the Western colonialism and then developed together with the bureaucratic capitalists and the Chinese capitalists. Moreover, the worker class arisen in this era to serve many companies.

*The Struggle in the Colonialism Period
1867-1910 (B.E. 2410-2453)*

Most of changes were set in motion through the leadership of King Rama IV and his son, King Rama V or King Chulalongkorn. A distinctive feature of the period cover by these two important reigns especially in King Chulalongkorn's period of reign (1868-1910) when Siam encountered with the two great powers, Great Britain and France. They desired to occupy Khmer, Lao and the land of northern- Malay Peninsula. The kings of Siam endeavored to protect Siam from the two great

powers although lost 7 territories to Great Britain and France from the year 1867 to 1909 (b.e.2410-2452). Because of the two great powers had the strong royal armies, Siam necessarily had implemented the defensive-foreign policy. As a results, Siam had lost 518,700 square kilometers of territory. It is noticeable that the most territories Siam had lost were used to be the Siam's colonies which were not settled the border until 1907. (Pensri Duke, 1984).

Firstly, Siam lost Outer Khmer to France in 1867 (b.e.2410) in King Mongkut's period of reign after French had occupied Saigon and southern Vietnam. Secondly, Siam lost Sipsongjuthai in Lao to France, after French already had occupied Khmer with the allegation "*Haw's aggression*" so France sent its Royal army into Sipsongjuthai and eliminated the Siam's Royal army from this territory in 1888 (b.e.2431) in King Chulalongkorn's period of reign. (Pensri Duke,1984). Thirdly, Siam lost "*the west land of Siam*" to Great Britain in 1892 (b.e.2435) because this land was abundant of the valuable forest. The worst crisis came in 1893 (b.e.2436), when French gunboat "*Le Lutin*" forced their way up the Chao Phya River and French troops occupied Chandaburi in the East because French desired to occupied almost the land in the left of the Mekong River. Siam could not resist the great power so King Chulalongkorn signed the treaty with French on October 3, 1893 (b.e.2436). The results of this treaties caused the losing of the most important territories namely The Kingdom of Lao and Sipsongjuthai approximately 143,800 square kilometers and the citizen around 600,000 persons. In the next decade, Siam lost

the territories for two times to France; There were the land in the right of the Mekong River (Manoplai, Champasak and Loungprabang) in 1903 (b.e.2446). Moreover, in 1906 (b.e.2449) Siam lost the inner Khmer that wealthy of agriculture and fishery to France. Lately, in 1908 (b.e.2451) Siam lost Atriburi, Kelantan, Terengganu and Pales approximately 15,000 square miles of territory to Great Britain. (Pensri Duke, 1984).

However, the most of Siam's territories lost in this period were Siam's occupiers, most of them were the land outer Siam. Unlike the Western occupy, the Eastern occupy is loose that the great power only take the royal tribute and loyalty from its colony. Whereas the Western occupy extremely magnetize the power and the resources from its colony. Thus, Siam might not take the most power, resources and benefits from its colonies and after Siam lost its territories caused the lost of little benefit in these lands. The Threat from the Western Colonialism caused King Chulalongkorn accepted change and reform are as follows:

- 1) King Chulalongkorn built the nation-state with settling the Siam's apparent territory, appending the northern cities and the southern cities, centralization of power, reforming the government, the government reorganization and the justice system including the police and the military affair.
- 2) Siam society had reformed as the modern society in many aspects; the slave and serf system were repealed, the education was reformed with the utilizing of the western system, the standard language was declared, the public health care and the religion also were reformed.

- 3) Siam's economics system was reformed; King Chulalongkorn modernized the fiscal, the banking and the infrastructure system. (Likhit Dhiravegin, 2003) The many aspects of the reform in King Chulalongkorn's period of reign brought Siam more modern than it used to be. Obviously, the king's duties benefitted to Siam into the social structure. The Siam-people have more freedom, more justice, the education and can carrying on their satisfactory occupations. These factors gradually brought Siam more modern-state.

The World War I Period 1914-1918 (B.E.2457-2461)

The World War I was the world-level conflict, began from 1914 to 1918 in European countries. When the industrial revolution was done in the great powers in Europe such as Great Britain, France, Russia, Italy and etc. From the 1750s to the 1850s, the results of the industrial revolution caused the surplus of industrial-production, the increasing of the population and the urbanization. So the great powers in Europe need to expand their power and occupiers for absorbing the resources (as raw materials for the industries) and releasing their industrial products. Then, in the 1900 century, every great power in Europe impressively proclaimed superiority and also compete each other. This situation caused the lost of balance of power in Europe and led to the war. It began with the separated of two exist namely, the Triple Entent, consisted of France, Russian Empire, Great Britain Empire, Kingdom of Italy including the United State and its alliances. For the opposite axis namely Triple Alliance, consisted of Austria-Hungary,

Germany Empire, Ottoman Empire and Kingdom of Bulgaria. And in the end, the Triple Entent was the total victory.

In this period, Siam was in King Rama VI or King Vajiravuhd's period of reign. In the first stage of the war, Siam announced as the neutral-nation but in April 1917 (b.e.2460), the United State joint with the Triple Entent and this axis tended to be the victory. Siam's government took a decision to be the Triple Entent's alliance and to declare war with the fear that the Triple Entent might not satisfy if Siam still neutral. Moreover, Siam's government expected to give up the unfair treaties which draw in the colonial period. However, the battle was not occurred in Siam, in the end of the war, Siam's representative went to the summit meeting in Versailles to negotiate about the unfair treaties. Unfortunately, this attempt was not succeed in that time, it will have been done in 1925 (b.e.2468) (Weerachai Chokmukda, 2011)

In 1914 (b.e.2457) the rice demand in the world distinctly increased although after the end of the war. Siam could export much rice with the good price because of the war. The rice demand in the world distinctly increased although after the end of the war. In 1919 (b.e.2462) the unusual drought caused the crop decreased to 67 percent. Consequently, the nation's income decreased, in 1920 Siam was worse off for 81 million bath and the international reserves was left 50 percent. It had the finance problem. And the world economy was also encountered with the economic downturn. (Chattip Natsupa and Suthi Prasatset, 1984) So in this period Siam could not have more economic and social development.

The World War II Period 1939-1945 (B.E.2482-2488)

The World War II or the Second World War began in 1939 and ended in 1945, when the lost nations in the First World War did not satisfy the results of the Treaty of Versailles especially Germany that must pay off the war reparation and lost the territory. Then, in 1966 (b.e.2476) **Adolf Hitler** took the position of Germany's leader. His outstanding policy was to give up the Treaty of Versailles and moreover, he started to accumulate the arms and empower the Germany's army. It began with the separated of two exists namely, the Allies (Great Britain, France and Soviet Union) and the Axis (Germany, Italy and Japan). It was the widespread war in history, with more than 100 million people serving in military units. The war ended with the total victory of the Allies over the Axis in 1945. The World War II altered the political alignment and social structure of the world. Siam's government decided to join with the liberal nations led by the United State. Siam was in King Rama VIII or King Ananda-Mahidon's period of reign and Marshal Pibulsonggramas as the Prime Minister. On October 3, 1939 (b.e.2482) the country's name was changed from Siam to Thailand. In early of the war Thailand decided to be neutral but when Japan's royal army reached Thailand's middle and southern-provinces. Thailand could not resist the Japan's royal army, so Marshal Pibulsonggram agreed to be Japan's alliance. While there was another movement in the United State namely "*Free Thai Movement*" led by Mom Rajawongse Seni Pramoj who did not accept the Thailand's government decision. This group moved to resist Japan

secretly. In 1945 (b.e.2488) when Japan lost in the war, Marshal Pibulsonggram resigned and Mr.Khuang A-Pai Wong became the Prime Minister. Mr.Khuang A-Pai Wong declared "Peace Announcement" to Great Britain but Great Britain did not accept caused Mr.Khuang A-Pai Wong resigned. After that, Mom Rajawongse Seni Pramoj became the Prime Minister and had negotiated with Great Britain successfully. (Weerachai Chokmukda, 2011) And In 1946 King Bhumibol Adulyadej became Rama IX, who is the present king of the Thai Kingdom.

The results of the war caused the great powers' occupies independence. Owing to the European Nation's decline, The Soviet Union and the United States emerged as rival superpowers, setting the stage for the Cold War for 45 years after the World War II. When the United State established the NATO and The Soviet Union established the **Warsaw Pact**. It is the obviously separated of the superpowers'political ideology. In the Cold War period, the world situation was effected the Thailand's economic and social development.

In 1947, the United State granted 3 million US Dollar to the Thai government to battle the Communism in Indo-China and expand the American's Capitalism in Thailand. (Sombhop Manarangsarn, editor, 1981)

Thailand in October 1958 (b.e.2501), Field Marshal Sarit Thanarat made coup d'etat Prime Minister Marshal Pibulsonggram and took the position as Prime Minister. He started to modernize the Thailand's economic development based on the basic principle "*to encourage the private sectors to be the productive and trade system*". Obviously, he established the Board of Investment (BOI), National Economic

and Social Development Council, Fiscal Policy Officer and etc. (Somjai Phagaphasvivat, 2004)

The National Economic and Social Development Plan Period (1961-present) (B.E. 2504- Present)

Thailand's government started to use the National Economic and Social Development Plan in 1961 and now Thailand has 11 Social and Economic Development Plans. Each plan has the specifically objectives. The details are as follow:

The 1st Plan (1961-1966): The 1st plan firmly intent to develop the infrastructures which support the economic development. So that the transportation, the rural highways, the dams, the electric city were develop in that time. Naturally, the 1stplan encouraged Thailand's economic growing. It is reported that the GDP grew 8 percent/year (The section of Study and Development Publication, National Social and economic Development Committee Department, 1988)

The 2nd Plan (1967-1971): Like the 1st plan, this plan emphasized the economic and infrastructure development. Beside this, the Thailand's Government extent the aim of the development to rural area so the rural development and many projects for supporting farmers were applied. This plan caused the economic grow around 7.5 percent/year lower than that in the 1st plan because of the unstable global economic. And this plan also increased the different of Thailand's income gaps. The development approach in the two first plans significantly caused the different of Thai people's income gaps because the ideologies of the two first plans are to develop the

infrastructure and the GDP. Although they can increase the GDP, both the higher and the middle classes can access the interest while most Thai people (the lower class) could not access (The section of Study and Development Publication, National Social and economic Development Committee Department, 1988)

The 3rd Plan (1972-1976): The important objectives of this plan are to develop the economic structure and to allocate the incomes to the lower class. The government endeavored to increase the economic growing rates, the agricultural goods, and the irrigation. Unfortunately, the World's economic confronted a problem because of the increasing of the oil's prices. So the inflation reached the highest point and the World's economic was hard-pressed. Thailand also affected by the world's economic crisis too, so the education and the public health were insufficient especially in rural areas. (The section of Study and Development Publication, National Social and economic Development Committee Department, 1988)

The 4th Plan (1977-1981): Thailand's government endeavored to increase the economic growing again but it could not stably keep the price of agricultural product. The income gaps were significantly increased. Furthermore, the social well fair was not enough especially in the northern and the north-eastern areas. It is reported that the children around 70-80 percent in those areas had the shortage of food and health care. (The section of Study and Development Publication, National Social and economic Development Committee Department, 1988)

The 5th Plan (1982-1986): From the 1st to the 4th plan, the overall of Thailand's

economy obviously grew. However, there were many problems such as the poverty, the weak economic structure, so the fifth plan was the "New Approach" for Thailand's economic and social development. Thailand's government wanted to correct the economic and social structure, the agricultural structure, the poverty and the public administration. So the public well fair was better than that in the past. (The section of Study and Development Publication, National Social and economic Development Committee Department, 1988)

The 6th Plan (1987-1991): The first five plans can develop Thailand's economy and society based on the capitalism approach. It is reported that the national income increased from 58,900 million Bath in 1961 to 1,041,920 million Bath in 1985, According to the education, the secondary schools were established for every districts. And the public health care was extended to every region in Thailand so the people's quality of life was satisfactorily developed. The 6th plan wanted to increase the efficiency of the national social and economic development in many ways such as the production system, the allocation of the personal income for the lower class. (Office of the National Economic and Social Development Board. the National Economic and Social Development Plan, 2012)

The 7th Plan (1992-1996): The 6th plan caused Thailand's economic expanded for 10.5 percent/year and reached the highest point over the past 25 years and engaged with the world economy's structure more than that in the past and the Thai people had the better quality of life Then, Thailand's government intent to continuously develop its economy.

So that, the 7th plan wanted to encourage the economic growing, to allocate the personal income, to develop the human resource, to preserve the environment and the natural resources. (Office of the National Economic and Social Development Board. the National Economic and Social Development Plan, 2012)

The 8th Plan (1997-2001): From the 1st plan to the 7th plan period, Thailand met success in economic development but there were many problems followed the development process in capitalism approach such as the materialism, the natural resources delegation and the pollution in the industrial areas. As a result, this plan encouraged both human and economic development. Beside this, the reservation of the natural resources is necessary. (Office of the National Economic and Social Development Board. the National Economic and Social Development Plan, 2012)

After Thailand's economic crisis in 1997 on ward, the Thailand's government emphasized the good governance principle with attempted to utilize the good governance principle in government affair.

The 9th Plan (2002-2006): The economic crisis in 1997 caused Thailand's economy in troubles and most Thai people encountered with the serious economic problems. It is the results of the imbalance development, so the 9th plan must accentuated the "*Human Development*" for "*Sustainable Development*". Then, the National Social and Economic Development Plan followed "*His Majesty the King's Sufficiency Economy Philosophy*", it was used as the method for sustainable development. In that time most Thai people interested in this philosophy. (Office of the National

Economic and Social Development Board. the National Economic and Social Development Plan, 2012)

The 10th Plan (2007-2011): The 9th plan supported the economy's growing around 5.7 percent/year. The economic stability was better and Thai people's quality of life was improved. Like the 9th plan, the 10th plan followed the King's sufficiency economy philosophy for the green and happiness society which Thai people have the merit, the strong family, the strong community, the peace society, the quality economy, the quality environment, the good governance and the democracy. (Office of the National Economic and Social Development Board. the National Economic and Social Development Plan, 2012)

From the 1st to the 7th National Economic and Social Development Plans based on the capitalism approach which supports the economic growing rates. The governments of Thailand in that time endeavored to increase the national income, the personal income and economic growing rates. In the same time, Thailand encountered with many problems such as the different of the income gaps, the poverty and the environment problems. Furthermore, when the world faced with the economic crises, it always affects Thailand's economic situation too. Certainly, Thai people must face with economic problem especially in the economic crisis in 1997. It caused Thai people troublesome, so from the 9th plan to the present plan, the National Economic and Social Development Plan base on His Majesty the King's sufficiency economy philosophy.

The Thailand's Economic and Social Situation in the Present Period

Thailand had used the National Economic and Social Development Plans from 1961 to the 10th plan. From the implementation of the plans, the Office of the National Economic and Social Development Board has reported Thailand's economic and social situations are as follow:

1. Macro Economic: In the present period, it is reported that Thailand's economic growing rate is 7.8 percent in 2010 which recover from the world's economic problem. The economic growth is the result of the increasing of the exportation rate, the consumption, the private investment, industrial production, the hotel and the retail. While, the agricultural production is decrease because of the flood.

2. The country's competitiveness: World Economic Forum and World Bank had lowered Thailand's competitiveness, found that Thailand competitiveness is lower than Japan and Singapore who develop their economy with innovations. Beside this, in ASEAN Thailand competitiveness is better than many countries except Malaysia. From the analysis of the indicators, represent that the factors in productive sector are weak, the government affair is ineffective and not transparent, the corruption, the crime, the violence, and the laws implementation is ineffective including the affect of the world's economic problems.

3. Infrastructure: In 2010 the International Institute for Management Development (IMD) ranked Thailand's infrastructure at 26 in Asia Pacific, lower than Singapore, Hong Kong and Malaysia.

4. International Economy: Thailand attended to support the neighboring countries for reduce the development gap especially in Mekong Sub Region.

5. Social Situation: Thailand has the progress of the development in many aspects such as job's stability, the income, the educational chance, the public health care. However, there are many problems that will be developed such as the social structure, the income distribution, the safety of life and asset, way of life and the people's participation.

6. Natural Resources and Environment Situation: Many decades Thailand's natural resources have been over used for economic development. They has been degraded incessantly, it is reported that the forest area left 33.5 percent of the country. Furthermore, the soil quality was decreased, the coast area was lost. Regrettably, these factors cause the decay of the natural resources and it will affect the sustainable development in the future. (The Office of the National Economic and Social Development Board, 2012)

The 11th Plan (2012-2016): The Office of the National Economic and Social Development Board had studies the global' situation and Thailand's situation in the present period and summarized that Thailand continue facing with major global and internal changes which may either pose threats to or provide opportunities for the country's development.

Major global changes

1) Changes in global rules and regulations have influenced the direction of future development. The 2008 world economic crisis has led to adjustments in global rules and

regulations in the areas of trade, investment, finance, and environmental and social matters. Reformed rules and regulations in trade and investment have focused mostly on transparency, climate change, intellectual property rights and international cooperation.

2) Multi-polar world economy in the new world order is increasingly important in shaping development. Adjustment to a multi-polar world economy, in which Asia has become an important engine of global growth, is imperative for Thailand. Meanwhile, the BRICs and ASEAN are becoming new economic centers.

3) Many countries are moving toward an ageing society. During the period of the 11th plan, the number of older persons around the world is expected to increase by 81.9 million. Changing demographic structure toward an ageing society in many countries will affect international migration and the diversification of cultures.

4) Global warming has some effects on climate change all over the world. Global temperature has increased on average of 0.2 degree Celsius per decade over the past 30 years, and has caused unpredictable climate changes as well as frequent and severe natural disasters. Ecosystems in many areas have become vulnerable, resulting in the loss of flora and fauna.

5) Global security of food and energy under severe threat. Rising demand for food and energy is due to significant increase in the world's population, whereas the supply of raw materials has been constrained by limited arable lands, technology, and climate change.

6) Vital role of advanced technology in economic and social development. Advanced technology can be regarded both as oppor-

tunities in reducing inequality and enhancing Thailand's competitive edge, and threats to the country's development.

7) International terrorism has been a threat to the world community. Transnational terrorism and crimes tend to spread across the world and are increasingly violent. (The Office of the National Economic and Social Development Board, 2012)

Major internal changes

1) Economic aspect: Over the past decade, the Thai economy has experienced moderate growth with stability. While the industrial sector has played a major role in production, the agricultural sector remains a key source of income and a base for value added activities. Very recently, the service sector has emerged as an additional engine of growth.

2) Social aspect: Thailand is becoming an ageing society due to changes in population structure, characterized by the increase of older persons while the size of younger population and workforce decrease. Although potential development opportunities are provided for all Thai people, issues related to education quality, child intelligence, risk behaviors for health, and low labor productivity have remained major concerns. Thai society has confronted a crisis of declining ethical and moral.

3) Natural resource and environmental aspect: Natural resources have been depleted; and the environment degraded. Moreover, climate change has exacerbated the problems of natural resources and the environment, which have affected agricultural production and poverty. (The Office of the National Economic and Social Development Board, 2012)

Risk Assessment: Thailand will encounter risks and has to enhance societal resilience in order to effectively meet challenges in the following six areas; public administration is ineffective, economic structure remains vulnerable, demographic structure has changed with older persons increasing, while the younger and working populations have decreased, social values and traditions have deteriorated, natural resources have been depleted, and the environment degraded and national security is still critical. (The Office of the National Economic and Social Development Board, 2012)

Vision, Missions and Objectives of the 11th Plan (2012-2016)

The 11th Plan is an indicative medium-term strategic plan aimed at achieving the vision of the year 2027 which was set out by all parties in Thai society, that is

"Thai people are proud of their national identity, in particular hospitality. They also follow the path of Sufficiency Economy with democratic values and good governance. The economy is based on self-reliance and increasing linkages and competitiveness on the global market."

The 11th Plan is the first step toward the long term vision of 2027. For the next five years, vision and missions are set as follows:-

Vision *"A happy society with equity, fairness and resilience."*

Missions

1) To promote a fair and quality society so as to provide social protection and security, to enjoy access to a fair judicial process and resources, and to participate in the development process under good governance.

2) To develop people with integrity, knowledge and skills appropriate to their ages, and to strengthen social institutions and local communities for positive adaptation to changes.

3) To enhance the efficiency of production and services based on local wisdom, knowledge, innovation and creativity by developing food and energy security, reforming the structure of the economy and consumption to be environmentally friendly, and strengthening relations with neighboring countries in the region for economic and social benefits.

4) To build a secure natural resource and environmental base by supporting community participation and improving resilience to cushion impacts from climate change and disasters. (The Office of the National Economic and Social Development Board, 2012)

The Office of the National Economic and Social Development Board had analyzed both global and Thailand's situation and written and implemented the 11th Plan. The significant issues in this plan are to build the habitable, democratic society and to follow His Majesty the King' Sufficiency Economy Philosophy. In this context, my argument rests heavily upon the assumption that the success of the plan implementation base on two important factors, they are the quality of the citizen and the economic structure. These factors is the mostly effect to the potential of development.

In short, the National Economic and Social Development Plan had been implemented for 51 years. Thailand's economic and social development cannot reach the satisfactory point as we have anticipated, but the natural resources were degenerated consistently. There are good reasons to study and concern about the sustainable development.

The Good Governance Approach

With the end of the Cold War in the 1990s, the term “*good governance*” came into circulation, which signified prescriptions by donor agencies for carrying out economic and political reforms by recipient countries. These prescriptions were presented by international donor agencies such as the World Bank and the IMF were expected to be met with compliance. The World Bank in the early 1990s emphasized four objectives that had to be achieved for increasing economic growth. They were: increased government investment in education, health care and nutrition; greater competition in domestic markets; greater integration of the domestic economy; and the creation of a stable macro-economic environment. (Surendra Munshi and Biju Paul Abraham, editors, 2004)

The World Bank clarified the meaning of good governance “*It is the manner and the way of power utilizing for employing the economic and social resources for sustainable development which comprehend the participation from any sector, the management in government sector, the responsibility, the law that involving development, the transparency and the information*” (World Bank, 2010)

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) clarified the meaning of good governance “*The decision- making and implementation process (or not implemented) with the suggestion, the good governance is the guarantee for reducing the corruption, the minority’s opinion is considered, the disadvantaged people’s voice is applied in decision –making process, including to respond the*

social’s need in the both present and future” (UNESCAP, 2010)

The United Nations Development Program (UNDP) clarified the meaning of good governance “*The implementation of the political, administrative and economic power in country’s affairs in every level which the mechanism, process and institution that the citizen and social groups can represent their need, interest, right and their duties legally. The coordination and compromise in the diversity society by those mechanism, process and institution*” (UNDP, 2010)

The following up of such principles in 1999 after the Thailand’s economic crisis in 1997, the results have been outlined by the Thailand’s government. Begin with the Thailand’s constitution 1997 comprehensively set the basis of good governance. Moreover, there are the government’s laws and regulations, they are the Office of the Prime Minister’s regulation that build the good governance (1999), Government Regulation Act (2002), Decree of the good governance principle (2003) and the Strategic Plan for the bureaucracy development (2008-2012) (The Office of the National Economic and Social Development Board, 2012)

In private sectors, good governance has been applied in many organizations such as The Stock Exchange of Thailand enforced its regulations “*Code of Best Practice for Directors of Listed Companies*” in 1999. Then, in 2001 “*the Good Corporate Governance Committee*” was established. Thereafter, in 2003 the Stock Exchange of Thailand joint with The Securities and Exchange Commission to direct and

supervise the companies registered in the Stock Exchange of Thailand.

The good governance conceptual focus was explicated by Office of Public Sector Development Commission Thailand in 2009 as the “*good governance rating*” for pioneer and evaluate the good governance levels in the government sectors and provinces. Beside this, it proposed 10 good governance principles. They are Effectiveness, Efficiency, Responsiveness, Accountability, Transparency, Participation, Decentralization, Rule of Law, Equality and Consensus Oriented. (Public Sector Development Commission Thailand, 2010)

As we have seen, Thailand's economy and society have continuously developed for many decades. Obviously, good governance principles have been utilized especially from the lately 1990s to present. My question is why Thailand's economic and social development cannot reach the satisfactory point? Why we must encounter with many problems go together with the development? I suggest that we must study to find the strategies for sustainable development.

Good Governance in Thailand's Government Policy

As well, a recent policy of Thailand's Government proposes the good governance principle in a part of it to encourage the effectiveness of the government's affair is as follow:

- 1) To successively develop the bureaucracy by outline the strategic management in nationlevel with the visions and the utilizing of Information technology in planning and decision-making process.
- 2) To successively encourage, enhance,

develop and promote the government's administrative system to be flexible.

- 3) To develop and encourage bureaucracy's personal management system base on good governance principle which utilizing the merit system and provide the stability with knowledge-based and public workmanship.
- 4) To successively develop the govern-ment's officers to increase the capability in their duties especially in the important positions which concern with the country's development strategies.
- 5) To encourage the merit standard and good governance to the government's officers and to increase the transparency in government's sectors.
- 6) To support the local government's affair to be the efficiency, transparency and responsiveness to the people' expect.
- 7) To develop the bureaucracy to be the transparency system with checking and evaluating base on merit standard.
- 8) To encourage the participation in government affair, the citizen can participate in economic and social policy and planning process both in the nation-level and the local-level.
- 9) To encourage good governance process in the private sector especially in the transparency checking system and to support the responsibility to the customers, clients and steak holders. (www.thaireform.in.th/, 2012)

A new policy has been introduced requiring every government sectors and including the private sectors to implement the good governance principle. The fundamental questions of the success arise. First, how it will

be done? And second, when it will be done? I think it is important to be clear about these points.

Thailand government's Economic and Social Development Policy

Economic Development Policy

The policy of Thailand's government introduced many aspects of economic and social development, divided in 3 aspects, they are macro-economic policy, make money policy and adjust the economic structure policy. Let me introduce the important features of them, the policy showed that follow:

1) Macro-economic policy: The Thailand's government desire to distribute the income, increase the high and stable economic growing rates, enhance the extremely employment rate, encourage the finance approaching, develop the potential of the communities' funds, develop the finance institutions to have the responsibility to the people including utilizing the good governance principle in finance system, adjust the tax system to promote the country's competitive ability, build the impartiality in the society, encourage the resources efficiency applying, promote and utilize the disciplines in the finance sector, develop the elements and structure of the expenditure, encourage the private sector to participate in government's affair, encourage the local government sector to be the efficient organization, adjust the state enterprise to be the efficient organization, manage the state's property including the local wisdom way of life and culture for the economic stability, (www.thaireform.in.th/, 2012)

My argument about the macro-economic policy, there are three basic questions- What is Thailand's position in the world stage? What is the position in the world stage we will reach? What are the driving force-factors used to the development? And how long it should take time?

2) Make Money Policy: The Thailand's government desire to encourage the tourist industries, extend the agricultural and food industries' role as the center of food production, develop Thailand to be the center of agricultural market, encourage and impel the energy industry, enhance the industrial competitive ability including the communities enterprises with the creative economy, encourage the entrepreneurs to extend their business to the neighboring countries that have the labor and raw materials, gravitate the investment into the countries and build the new cities for business, create the quality and high wage jobs to the people, give the chance to access the loan and build the trade and investment networks. (www.thaireform.in.th/, 2012)

I do not deny the important of any reason for making money, However, few comments on this issue may be helpful to point out the connection between the economic development is not only to make money but also to link with the other aspects especially in the social, human right, knowledge and human dignity aspects.

3) Economic Structure Adjustment Policy:

Agricultural Sector: The Thailand's Government desires to encourage the National Farmer Council as the mechanism for com-

munication with the government, increase the plant production, increase the animal production, develop the fishery, enhance the basic of the agriculturalist family's strength, make the agriculturalist family's data system and can link to the agriculturalist's credit cards, accelerate the agricultural business, build the new generation agriculturalist, develop the agricultural industries for increasing the competitiveness in global market. (www.thaireform.in.th/, 2012)

Industrial Sector: Thailand's Government desire to enhance industrial sector's competitiveness ability, enhance the industrial sector to be the creative economy sector instead of the labor intensive-industry, develop and promote the agricultural industry, enhance the SMEs 'strength, specify the industrial production's basic standard and quality, develop the new industrial zones, accelerate develop the industrial sector to amicable with the environment and communities, encourage the industrial tax standard to safe energy, support the entrepreneurs to do the business in the concurrently industrial zone, accelerate explore and seek the important mineral which useful to the economy. (www.thaireform.in.th/, 2012)

From my opinion, economic structure adjustment is necessary in Thailand, although is it depend on many constraints. Fundamental economic structure and people quality are the key factors for successful adjustment. Since the success of economic structure adjustment is base on the "*human*" as the mechanism to play the important roles in the appropriate economic structure. From this reason, the Thailand's Government has to study the Thailand's people and former economic structure and then evaluate the possible and the time of this duty.

Social Development Policy

1) Education Policy: Thailand's Government desire to accelerate develop education quality with the knowledge system reform, build the education chances, reform the teacher to be the professional career, manage the higher and vocation education to appropriate with the labor demand, accelerate develop information technology for education as well as the international standard, support the research and development to create the nation's wisdom, develop the universities to be the research universities in the world stage and increase the ability of human resources for ASEAN community. (www.thaireform.in.th/, 2012)

The Thailand's Government tries to develop the education in many ways. For this issue, I would like point out the necessary of the education: the quality and sufficient of education is the basic apparatuses to prepare its citizen for the development in every aspects especially in the politic, social and economic. Furthermore, the education unavoidably inter-act with the politic, social and economic aspects. Thus, the government has to systematic plan to develop and reform the education and the process of the reform and the development is need the time, may be for decades. For these reasons, the government has to really pay attention in these duties for long time.

2) Public Health Care Policy: The Thailand's Government desire to develop the system of Public Health Care quality and link to every level, produce the Public Health Care staff for increasing the medical staffs that appropriate with the population in each area, integrate build the measure for decreasing the

malaise and death rates, develop the public health volunteer's ability to be the communities' public health management, develop the people's quality of life in every ages, encourage the people to play sports for encouraging their health, impel Thailand to be the best practice of Health Care service in Asia. (www.thaireform.in.th/, 2012)

The citizen's health is truly involved and interact with the education achievement because if the people have good health, they can efficiency learn and study. On the other hand, if the people have quality and enough education, they can correctly take care of their health. My suggestion is the government has to develop the public health care together with the education.

Conclusion

Thailand has been developed the economy and social for many decades, the modern period started in King Rama IV period of reign as the *"open door for globalization"*. Both situation in the country and the situation in the world affect the Thailand's economic and social development in every period as we seen. Thailand's economic and social has been developed, the Thai's people have the higher quality of life, the income, the education

chances and the freedom in the way of life. The remarkable that there are the problems occur in the development process. They are the income gap still wide, the social structure still has the wide basis with the most of lower class, The Thai politics is also still illiterate democracy. There are two fundamental constraints which affect the effectiveness of the development, the quality of the citizen, and the economic structure. From the Neo-Liberalism point of view that based on the believing *"state is the atomistic actors"* state seeks for the maximum benefit, the cheating is the obstacle for cooperation. And what is the state's interest? That we have to studies and explain for the effective policy implementation in Thailand. Lately, in the present time that the threats such as the global warming, the natural resources degeneration are increasing. The development with the knowledge-based and good governance is necessary. I hope that most countries concern about the sustainable development.

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