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SUMMARY
THE NINTH NATIONAL ECONOMIC
AND
SOCIAL DEVELOPMENT PLAN
(2002-2006)

สมบัติน้องสมครรัฐสภา

สิงพิมพ์รัฐสภา

National Economic and Social Development Board
Office of the Prime Minister
Bangkok, Thailand

Announcement of the Royal Command

Subject : The Ninth National Economic and Social Development Plan
B.E. 2545 – 2549 (A.D. 2002 – 2006)

(M.R.) Bhumibol Adulyadej R.

His Majesty King Bhumibol Adulyadej has commanded :

The Cabinet, having considered the Ninth National Economic and Social Development Plan (B.E. 2545 – 2549), which was prepared with the involvement of Thai people from all walks of life, from every province and region of the country, and was submitted to the National Economic and Social Advisory Council for the consideration under Article 89 of the Constitution of the Kingdom of Thailand, has decided that this Plan should be implemented as the national guidelines for economic and social development policies. A summary of the main elements of the Plan is annexed to this announcement.

Be it proclaimed, therefore, that the Ninth National Economic and Social Development Plan (B.E. 2545 – 2549) shall come into force as of the 1st October, B.E. 2544 and shall remain in effect until 30th September, B.E. 2549.

Given on the 7th October, B.E. 2544, being the 56th year of the present reign.

Countersigned by :

Thaksin Shinawatra
Prime Minister

INTRODUCTION

Since August 1999, the Office of the National Economic and Social Development Board has continuously implemented the National Economic and Social Development Plan Preparation Process according to careful steps which opened up opportunities for broad participation of people from all layers of society, covering provincial, sub-regional and national levels. The process started by identifying a vision, direction and framework for the Ninth Development Plan which resulted in unanimous consensus that the “Sufficiency Economy” philosophy, based on various royal addresses of His Majesty the King, should be the guiding philosophy of national development. The complete vision based framework of the Ninth Development Plan was submitted to the Cabinet and received its approval on August 1, 2000.

The next step was the preparation of the plan in detail by various means of collaboration, involving government agencies, eminent persons, and development partners, who jointly considered the essential details of each strategy resulting in a Draft of the Ninth National Economic and Social Development Plan. The Draft was presented to the Cabinet for acknowledgement and comments in early June 2001. It was then edited and presented to the Economic and Social Advisory Council to seek additional comments which were submitted together with the Draft of the Ninth Economic and Social Development Plan B.E. 2002-2006 for the Cabinet’s consideration on September 4, 2001.

The Office of the National Economic and Social Development Board then completed the final editing, and received permission from the National Economic and Social Development Board to submit the plan for official approval of the Cabinet, and requested royal consent from His Majesty the King to inaugurate the Ninth National Development Plan, resulting in the Plan being in effect from October 1, 2001.

SUMMARY

THE NINTH NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT PLAN

1 INTRODUCTION

The Ninth National Economic and Social Development Plan (2002-2006) adopts the philosophy of sufficiency economy bestowed by His Majesty the King* to his subjects as the guiding principle of national development and management. The philosophy of sufficiency economy, based on adherence to the middle path, is advocated to (a) overcome the current economic crisis that was brought about by unexpected change under conditions of rapid globalization, and (b) achieve sustainable development. The philosophy can be summarized as follows:

Philosophy of Sufficiency Economy

“Sufficiency economy” is a philosophy that stresses the middle path as the overriding principle for appropriate conduct and way of life of the entire populace. It applies to conduct and way of life at individual, family, and community levels. At the national level, the philosophy is consistent with a balanced development strategy that would reduce the vulnerability of the nation to shocks and excesses that may arise as a result of globalization. “Sufficiency” means moderation and due consideration in all modes of conduct, and incorporates the need for sufficient protection from internal and external shocks. To achieve this, the prudent application of knowledge is essential. In particular, great care is needed in the application of theories and technical know-how and in planning and implementation. At the same time, it is essential to strengthen the moral fibre of the nation so that everyone, particularly public officials, academics, business people, and financiers adhere first and foremost to the principles of honesty and integrity. A balanced approach combining patience, perseverance, diligence, wisdom, and prudence is indispensable to cope appropriately with critical challenges arising from extensive and rapid socio-economic, environmental, and cultural change occurring as a result of globalization.

* *The Office of National Economic and Social Development Board in the formulation of the Ninth Plan invited experts in economics and other fields to work jointly in compiling and synthesizing His Majesty the King’s royal remarks given to his subjects on sufficiency economy on various occasions. The synthesis of sufficiency economy was then submitted to His Majesty for royal consideration. His Majesty graciously made a final revision and royal approval has been granted for further dissemination.*

The Ninth National Economic and Social Development Plan has been formulated on the basis of a shared vision of Thai society for the next 20 years; it reflects the views of Thai people from all social sectors at provincial, sub-regional, regional, and national levels. In the brainstorming process to develop this desirable vision for Thai society, participants took into consideration past development performance, the management of rapid change resulting from globalization, as well as the need to strengthen desirable values.

The Ninth Plan is a strategic plan that serves as a framework for medium term national development, consistent with the long term vision. It builds on the Eighth Plan that advocated a holistic people-centred development approach. In the Ninth Plan, major emphasis is placed on balanced development of human, social, economic, and environmental resources. A priority goal is pursuance of good governance at all levels of Thai society in order to achieve real sustainable people-centred development.

Thailand's development trajectory over the past four decades clearly indicates imbalanced development. While success measured in terms of quantitative indicators has been achieved, improvements in quality of life seem to lag far behind. This can be explained by weaknesses in Thailand's economic, political and administrative management systems that are centralized and inefficient. The legal system also requires updating. All of these shortcomings have led to chronic corruption in both the public and private sectors. At the same time, the quality of education among Thai people has not been significantly upgraded. Therefore, the Thai people cannot adapt themselves to modern technology. A weak educational foundation in science and technology inhibits innovation. The foregoing factors, accentuated by inefficient management, give rise to continuing erosion of Thailand's international competitive position. Meanwhile, the widening income gap, increased poverty, and natural resources and environmental deterioration have contributed to increased social conflict and tension. Adherence to materialistic social values is associated with deteriorating moral values.

Despite, the aforementioned shortcomings, past development efforts have created social and economic capital that can be utilized for further development. The present Constitution represents an enabling environment for the implementation of major reforms in the social, political, and governmental sectors, as well as for administrative decentralization. The process of popular participation at both national and community levels has been strengthened through increased mass media freedom. The present constitution and freedom of expression are contributing favourably to the growth of democracy, prevention of corruption, and good governance in Thai society. Strength can also be found in the agricultural sector that is broad based and diversified, with potential to be a major source of world food supply. Specialization is also evident in the service sector based on high quality tourist resources and other services that reflect a distinct Thai cultural identity. The Thai people also adhere to religious principles of rationality and moderation. The monarchy has for centuries been the centre of hope and confidence for all Thai people. All of these conditions increase Thailand's resilience under conditions of rapid change and uncertainty associated with globalization.

Rapid globalization has given rise to both opportunities and threats for sustainable development in Thailand. On the economic front, the world economy has become more complex and inter-related. A new world economic order has arisen which is leading to new agreements on international trade and investment. Regional trade groupings at both bilateral and multi-lateral levels are expected to increase. The world economy is significantly more knowledge based and technology driven than in the past. In order for Thailand to maintain its international competitive position, there is an urgent need to undertake necessary structural reforms and develop human resources to facilitate timely adjustment to rapidly changing conditions. Given present volatile world economic conditions, it is expected that the global economy will continue to slow for a period of time, which will jeopardize Thailand's economic stability. Hence, there is an immediate need for Thailand to undertake restructuring of its economy from the grassroots to the macro level, based on the adoption of an appropriate national economic policy that will strengthen Thailand's international competitive position.

Based on the aforementioned situation and future trends, that include both positive and negative factors, the Ninth Economic and Social Development Plan has been formulated to guide development during one of the most crucial transition periods that Thailand has faced. Given the situation described, implementing the Ninth Plan requires that highest priority be given to the creation of leadership capacity at all levels of the society. Change management, based on and supported by collaborative processes, is required to meet the challenges facing Thailand in a dynamic world.

2 NATIONAL DEVELOPMENT VISION

Thailand's development vision for the next 20 years focuses on the alleviation of poverty and the upgrading of the quality of life for the Thai people, so that "sustainable development and well-being for all can be achieved". The sufficiency economy philosophy will be followed as a shared value of the Thai people, guiding the transformation to a new national management system based on efficiency, quality of life, and sustainability objectives.

In order to bring about change and nurture commendable values based on Thai cultural identity, the vision of Thai society characterized by a "**Strong and balanced society**" is as follows:

"Quality Society" connotes adhering to balanced development principles that will encourage and empower all people to be capable, ethical, responsible, public minded, and self-reliant. People will inhabit cities and communities that are livable and efficient; the quality of the environment will be improved. The economy will be stable, strong and competitive resulting from policies supportive of balanced and sustainable development. The political and governance system will be transparent, democratic, and accountable. Equality in Thai society will be substantially increased.

A "**Knowledge-based and Learning Society**" will allow Thais to empower themselves through creative and rational thinking. Life long learning opportunities will be made available so that people can cope with changes and be able to accumulate intellectual capital, as well as to benefit from, interpret, and apply local wisdom as appropriate.

A "**United and Caring Society**" is one in which the people uphold moral values, and adhere to Thai national identity characterized by values such as interdependency, caring, and living in warm families within strong networking communities.

The Ninth Plan subscribes to the philosophy of sufficiency economy as the guiding principle of national development. If the principle of sufficiency economy, based on the middle way, is practiced by individuals, families and communities, as well as collectively, this will result in balanced national development which will provide a firm foundation for all Thai people to meet the challenges of the contemporary world. The principle of sufficiency economy implies moderation in all human endeavour. If practiced, the philosophy will lead to a Thai society that is developed, economically, socially and politically, based on self-support and self-reliance. Furthermore, such a society will be highly resilient, even when exposed to the forces and risks of globalization. A sufficiency economy will be one in which the Thai are well-educated, engage in life long learning, and possess high moral standards, especially honesty, and integrity. Such a society will be a knowledge based learning society which incorporates local wisdom and retains Thailand's cultural identity. The society will be caring and united, and proud of its cultural heritage. In sum, a sufficiency economy will be characterized by balanced, sustainable, and just development.

Achievement of this vision of Thai society is best realised by focusing on areas of economic potential. People in communities will build strong foundations for social and community development, incorporating good management systems at all levels. Thai national cultural identity, which stresses open mindedness, will contribute to the establishment of peace in the Region. Realization of economic potential will result in Thailand becoming a regional economic centre, particularly in primary agriculture, food processing, tourism, and education and technology. At the same time, by building on Thailand's advantages in terms of geographic position, and existing infrastructure strengths, economic gateways will be developed that enhance linkages with neighbouring countries and the region, strengthening Thailand's international competitive position.

3 OBJECTIVES AND TARGETS OF THE NINTH PLAN

In order to realize the long-term shared vision of Thailand based on the philosophy of "sufficiency economy", the Ninth Economic and Social Development Plan sets the following objectives and targets for development.

3.1 Objectives

(1) *To promote economic stability and sustainability.*

Measures will be taken to strengthen the financial sector and fiscal position of country, along with economic restructuring, to create a strong and self-reliant economy at the grassroots level. The overall economy will be made more competitive through development of the knowledge base.

(2) *Establishment of a strong national development foundation* to better able Thai people to meet the challenges arising from globalization and other changes. Human resource development, education and health system reforms, the setting up of a social protection system are priorities to be implemented. At the same time, popular participation in communities and rural areas will be enhanced to create sustainable urban and rural development networks, improve management of natural resources and the environment, as well as development of appropriate science and technology.

(3) Establishment of good governance at all levels of the Thai society. Good governance will be fostered based on the principles of efficiency, transparency, and accountability. Emphasis will be placed on the reform of government management systems, the promotion of good corporate management in the private sector, and public participation in the development process, as well as the creation of a political system that is accountable to the public and does not tolerate corruption.

(4) Reduction of poverty and empowerment of Thai people. Thai people will be empowered through equal access to education and social services. Employment generation will be supported, leading to increases in incomes. Quality of life will be upgraded. Public sector reform will be undertaken to create an enabling environment for public participation.

3.2 Targets

(1) Balanced Economic Development Targets. Strengthen the overall national economy to achieve sustainable quality growth. It is envisaged that during the plan period, the Thai economy will grow at an annual average rate of 4-5 per cent, with an average annual current account surplus of approximately 1-2 per cent of GDP, in order to generate new employment of at least 230,000 jobs per year. Inflation is expected to remain below 3 percent. Foreign exchange reserves will be kept at a stable level in order to create investor confidence. At the same time, economic restructuring will be undertaken to increase the international competitiveness in production sectors. To this end, it is envisaged that exports will expand at the annual average rate of 6 per cent. The total factor productivity in the agricultural and industrial sectors is set to grow at an annual average rate of 0.5 per cent and 2.5 per cent, respectively. Labour productivity is expected to increase at 3 per cent annually. Income from tourism will increase with the growth of expenditures by foreign tourists at an annual rate of 7 - 8 per cent and by domestic tourists at an annual rate of at least 3 per cent.

(2) Quality of Life Targets. Focus on maintaining a balanced demographic structure and appropriate family size. Fertility will stay at the replacement level. Every Thai person should have access to resources to achieve good health, develop the abilities to adapt to change, and practice high moral standards and social responsibility. Young people should have an opportunity to receive at least 9 years of education by the year 2006. The enrollment rate in lower secondary education is to reach 50 per cent by the same year. Health insurance schemes will be extended to cover all of the population on an equitable basis. The social protection system will be improved to provide social insurance for all age groups, thereby strengthening communities and civil society. Community empowerment will create an enabling environment that fosters people participation in the development of livable cities and communities, as well as sustainable management of natural resource and the environment.

(3) The Good Governance Target. A more efficient bureaucratic system will be established, appropriately sized and structured. The capacity of local government organizations to collect more revenue is to be enhanced. Transparency in local government, based on accountable decentralization is a priority. Public participation in local governance is key to effectively eliminating corruption.

(4) Poverty Alleviation Target. Pro-poor economic measures will be taken, together with the creation of enabling environments that enhance the quality of life of lower income groups, and empower poor people. The target is to reduce absolute poverty to less than 12 per cent of the total population by 2006.

4 ECONOMIC AND SOCIAL DEVELOPMENT STRATEGIES

In order to achieve the aforementioned plan objectives and targets, seven strategies which have been grouped under three main strategic clusters are prescribed as follows:

Group I: Establishment of good governance at all levels of the society. The highest priority is accorded those strategies that focus on the reform of management mechanisms in the political, public, private and civil society sectors. Popular participation is to be enhanced to increase the efficiency of development efforts, based on accountability and transparency. Reform of management systems will create a strong development foundation, increasing the capacity of Thai society to cope with change, as well as fight corruption. The strategies in this group consist of the following:

(1) The good governance strategy provides the major thrust for other strategies with its emphasis on:

(1.1) Upgrading the efficiency and effectiveness of the public sector. Emphasis will be placed on streamlining the bureaucracy in terms of size and structure. Public sector roles need to be adjusted to be compatible with the new development approach. This will require development of reliable management information systems, as well as improved coordination among central government agencies to eliminate duplication. The budget system should be results based. The legal system should be reformed to reflect changes in the domestic and international situation of the nation. Laws protecting human rights are to be promulgated. The mass media should be encouraged to play a more active role in reporting on, and monitoring, the judicial process.

(1.2) **Decentralization of works and responsibilities to local administrative organizations.** Capabilities of local administrative organizations are to be enhanced, along with opportunities for participation by civil society.

(1.3) **Prevention of corruption.** Participation by the public is to be promoted in the monitoring, and fight against, corrupt practices in Thai society, as well as protection of the public interest.

(1.4) **Development of checks and balances mechanisms.** Checks and balances exist in the form of non-government agencies set up under the constitution, as well as the mass media. These agencies should play an active role in monitoring the performance of government agencies.

(1.5) **Promotion of corporate good governance in the private sector.** Corporate good governance should be promoted to ensure management that is transparent and accountable to every shareholder. Corporations should recognize their public responsibilities to both producers, e.g., suppliers, and consumers.

(1.6) **Promotion of strong families and community ties.** Community learning networks should be developed to promote strong families and communities. This approach is designed to foster self-reliance, moral discipline, and responsible behavior in relation to self, family and community.

Group II: Consolidation of a strong social foundation. This group of strategies recognizes that people, families, and communities are the corner stone of Thai society. Major development approaches advocated include strengthening of networks (social and business) that link rural and urban areas, as well as prudent management of natural resources and the environment to achieve sustainable development. Development strategies included in this group are as follows:

(2) *Development of human potential and social protection.*

(2.1) **Empowerment of the people to cope with changes.** To this end, health system reform should emphasize disease prevention. Education and learning processes should be geared towards development of human potential based on knowledge, learning of useful occupational skills, and development of capacity to adapt to a rapidly evolving society.

(2.2) **Employment policies should promote self-employment and small-scale entrepreneurship.** Employment opportunities should be created in all regions of the country, including in the faster growing non-agricultural sectors. Programmes to facilitate access to labour markets in foreign countries are needed.

(2.3) **Improvement of the social protection system.** Social protection systems should cover wider segments of the population, e.g., all age groups, in order to increase security in Thai society. Major attention should be given to increasing the efficiency of the social insurance scheme, capacity building of local organizations to shoulder joint responsibility in the provision of social services, the modification of laws on labour protection, as well as improvement of programming to protect poor and disadvantaged groups.

(2.4) **Prevention and suppression of drug abuse and increased public security.** Family and community institutions should be strengthened to prevent undesirable activities. The treatment and rehabilitation of drug addicts should be accelerated, along with more active law enforcement, including coordination of efforts with foreign countries against drug trafficking. Public security is to be improved through increased participation by all community members, not just the police, in maintaining public security.

(2.5) **Promotion of development partnerships with family oriented institutions, religious organizations, schools, communities, non-government organizations, voluntary organizations, and the mass media.** Family oriented institutions should be strengthened to support development of family members. Thai identity is to be strengthened based on revitalization of Thai cultural heritage and local wisdom. Support to development of religious and mass media personnel is to be emphasized.

(3) Restructuring of management for sustainable rural and urban development. Major targets include:

(3.1) **Empowerment of communities and development of livable cities and communities.** Emphasis should be placed on the development of processes that empower communities so that they can serve as strong foundations of society. Mobilizing participation of all stakeholders in community development is a priority target. Livable cities and communities should be achieved through the creation of enabling environments conducive to the development of a way of life which is tranquil, convenient, clean, safe, and well disciplined. This development process will lead to the creation of bodies of knowledge that are consistent with local wisdom, as well as the development of strong grassroots economies which are more self-reliant, and support sustainable development of livable cities and communities.

(3.2) **Alleviation of rural and urban poverty through the process of popular participation.** Poverty alleviation efforts should be holistic in approach, not just focused on income. To this end, empowerment of the poor should be a priority. Legal and regulatory reform is needed to provide the poor with access to government services, as well as to give them the opportunity to sustainably utilize natural resources for their livelihood, without breaking laws.

(3.3) **Establishment of linkages between rural and urban development.** In order to distribute economic and social opportunities equitably, grassroots economies should be strengthened to provide sustainable incomes to rural people. Economic clusters linking rural and urban areas should be established. Cluster based economic development should be consistent with the economic potentials, preferences, and functions of each area.

(3.4) **Management of integrated area-function-participation (AFP) development.** Capacity building is needed to equip local administrative organizations with trained people and effective management systems in order to facilitate decentralization.

(4) *Natural resources and environmental management.*

(4.1) **Upgrade the efficiency of natural resources and environmental management in support of conservation, and rehabilitation and development of the grassroots economy.** To this end, existing mechanisms for natural resources and the environmental management should be adjusted to emphasize local participation. Public awareness among Thai people regarding environmental quality, and implications for better quality of life, should be enhanced, together with more efficient enforcement of laws. Data bases at the local level should be established to facilitate efficient monitoring and evaluation.

(4.2) **Preservation and rehabilitation of natural resources.** Action should be taken to protect and demarcate preservation and conservation areas in order to maintain eco-system balance and promote land use consistent with capability and best use. A master plan for the rehabilitation of Thai coastal and marine environments should be formulated. Nationwide, natural resource strategies should stress preservation of bio-diversity, efficient utilization of water resources, and the restoration of soil fertility to support increased agricultural productivity, as well as support conservation, and improved economic utilization of energy.

(4.3) **Rehabilitation and preservation of community surroundings, art and culture, as well as tourist attractions, to enhance the quality of life and the local economy.** Actions should be taken to preserve natural tourist attractions, local arts, and archeological sites in order to support sustainable development of tourism. Town planning should be used as a mechanism to coordinate environmental management in cities to achieve livable and viable cities.

(4.4) **Efficient pollution abatement management conducive to the development of livable cities and communities.** Resources should be focused on development of waste disposal systems that are acceptable to communities. Pollution abatement requires strict law enforcement, the adoption of appropriate technologies, and the upward adjustment of environmental standards to international levels.

Group III: Economic restructuring for balanced and sustainable development. This group of strategies emphasizes macro-economic management to achieve a stronger economic base that can be translated into qualitative, as well as quantitative, growth. Economic structures at all levels need to be adjusted - from the grassroots to macro levels. Linkages with the global economy should be enhanced, with prudence, keeping in mind the importance of developing resilience to global shocks. Thailand's international competitiveness should be improved at both macro and sectoral levels. A consolidated science and technology development strategy needs to be formulated, with particular attention being paid to innovation, and incorporation of Thai wisdom into innovative processes. Development strategies consist of the following:

(5) **Macro economic management strategy.** Emphasis will be on:

(5.1) **Implementation of monetary policy designed to (a) increase the resilience of Thailand in the context of global change, to reduce the risk of economic crisis and (b) more widely distribute economic growth and development benefits.** Means to accomplish this target will include liquidity management, maintenance of price stability, and appropriate exchange rates. The Financial sector should be strengthened, and early warning systems developed, along with improvement in supervision of financial institutions, to ensure more transparency and accountability. The financial sector should play a key role in decentralization of growth and equitable development. The role of capital markets should be increased to stimulate economic recovery and serve as an alternative source for capital mobilization.

(5.2) **Consolidation of the fiscal position, and decentralization of growth, in/to regional areas** should be initiated through expenditure increases in Outer Thailand, and the adoption of revenue enhancement measures to support economic expansion in the regions. Strict fiscal discipline should be practiced, based on responsible management of public debt and capital expenditures to achieve long term fiscal sustainability. Savings should be promoted, along with decentralization of fiscal authority, and appropriate transfer of functions to local administrations.

(5.3) **Strengthening of the socio-economic system** in order to build national resilience in the context of rapid globalization. Emphasis should be placed on effective preparation for trade negotiations to achieve international collaboration that will benefit the majority of the Thai people.

(6) **Upgrading national competitiveness** with emphasis on:

(6.1) **Restructuring production and trade sectors.** Support to development of a stronger production base that is more self-reliant and sustainable, based on human resource development, and an emphasis on science and technology is needed. This initiative should be pursued along with improvement in management to increase productivity and upgrade the quality and of goods sold in both domestic and foreign markets, should be undertaken. Balanced development of natural resources and the environment should be sought. Policy adjustments are needed to facilitate development of the new economy.

(6.2) **Upgrading the quality of infrastructure services to achieve productivity increases.** In order to increase capacities in the production and service sectors, maximum utilization of existing infrastructure facilities should be sought, along with improvements in the quality of service delivery.

(6.3) **National productivity strategy.** Mechanisms should be put in place to increase productivity through the development of networks (cluster creation) linking public, private, and civil sectors. Infrastructure investment directly linked to increased productivity should be encouraged.

(6.4) **Development of local economies, small and medium scale enterprises, and cooperative systems.** This strategy focuses on establishing a strong foundation for increases in national income. Particular emphasis should be placed on development of production networks, e.g., supply chains, and service activities, such as tourism.

(6.5) **Improvement of the trade negotiation system and international cooperation.** Thailand should develop well-argued unified positions for trade negotiations to strengthen the bargaining power of Thailand in international trade and investment matters. Economic cooperation with neighboring countries needs to be enhanced in order to establish a firm foundation for long term development.

(6.6) **Promotion of service industries to create employment and improve income distribution.** To these ends, tourism should be developed to increase employment and distribute income to local communities. Local participation in the development of high quality tourist attractions should be encouraged. Domestic tourism, and coordination of tourism development with neighboring countries, should be encouraged. Development of new services, e.g., producer, business, and health services, should be supported consistent with local economic, social and cultural conditions.

(7) Strengthening of science and technology development.

(7.1) **Development and application of technology.** Emphasis should be placed on the development and application of technology in production. Research and development activities should be focused and in accordance with potentials of the Thai people. Increased equality in access to technology is a priority. Technological innovation should be encouraged to increase production efficiency and upgrade the quality of goods. Innovation that builds on local knowledge and has potential to reduce reliance on foreign technologies should be encouraged.

(7.2) **Development of human resources in science and technology.** This strategy requires reform of the educational system. More emphasis is needed on scientific learning so that Thailand can keep pace with rapid change. Science and technological manpower needs to be developed, both in terms of quality and quantity, so that efficiencies can be achieved through appropriate assessment, selection, application and development of technology.

(7.3) **Development and application of information and communications technology.** The objective of this strategy is to establish strong systems in Thailand for dissemination of knowledge and information to support economic stabilization and increased international competitiveness.

(7.4) **Managed commercialization of science and technological development.** Emphasis should be placed on commercialization of science and technological inventions. The private sector should be encouraged to play the leading role in this regard, with support from the Government.

5 DEVELOPMENT PRIORITIES

In view of resource constraints, the efficient implementation of aforementioned Ninth Plan strategies needs to be based on priority being given to the following development areas:

5.1 Stabilization and rehabilitation of economic and social conditions to create conditions for more rapid economic recovery with stability. Fiscal policy should be adopted to speed up the economic recovery through appropriate tax measures and the acceleration of government budgetary disbursement. Short-term monetary policy should pursue maintenance of adequate liquidity, stabilization of prices and the rate of exchange, slowing of capital out flows, and maintaining the balance of payment surplus at an appropriate level. Attempts should be made to address bottlenecks and constraints, and promote expansion, in production sectors, particularly in exports, tourism, small and medium scale enterprises, construction, and services. At the same time, labour training should be emphasized to upgrade skills so that human resources are aligned with changing production structures and market demand. Such initiatives will expand employment and increase the capacity of Thailand to earn more foreign exchange.

5.2 Strengthening of grassroots economies. Emphasis should be placed on the development of community enterprises by promoting the establishment of revolving funds to finance businesses. Micro-credit projects need to be expanded to alleviate liquidity problems in many local economies. More standardized quality products and services with special (local) identities should be encouraged, through dissemination of production processing information to local communities. Efficiency in marketing and distributing products from local to regional, national and international markets should be promoted.

5.3 Alleviation of social problems. More aggressive efforts should be undertaken to prevent and suppress drug addiction problems. An efficient health insurance system, accessible to all people is needed. At the same time, skill development programmes should be initiated to support job creation. Labour protection programmes need to be expanded to cover both informal and formal markets. Emphasis should be placed on the prevention and suppression of corruption in both the public and private sectors, along with the promotion of Thai cultural heritage so that people will be proud of their identity.

5.4 Poverty eradication. Poverty eradication efforts should emphasize empowerment of the poor, together with initiatives to create enabling environments. The details of which are as follows:

(1) Provision of access by the poor to government services. Education and health services suitable to the way of life of the poor should be widely available, along with increased opportunities for the poor to gain access to sources of knowledge and information.

(2) Provision of access by the poor to natural resources. Opportunity should be provided to the poor to access natural resources needed for their livelihood. Participation of the poor in sustainable management of natural resources should be encouraged.

(3) Development of social safety nets to enhance security of poor people. Social programmes need to really reach the poor and less privileged groups. Social welfare services should correspond to the problems and needs of the poor and less privileged people in each locality.

(4) Development of grassroots economies to create opportunities for the poor and enhance local self-reliance. To this end, community organizations and networks should be enhanced to support members in problem solving, and to increase employment security and increase income.

(5) Adjustment of government management systems to enhance the creation of opportunities for the poor. Action plans for poverty eradication specifically geared towards the needs of each poverty group in each geographic area should be formulated. Specific measures should be identified and implemented in accordance with capabilities of poor people in rural and urban areas. Programmes for the poor should be better targeted, consistent with the nature of problems in each area. Poverty indicators should be developed, and they should be modified over time to fit changing situations.

(6) Acceleration of legal and regulatory reform. This strategy focuses on ensuring that the poor are treated equally legally. Important issue areas in this regard include civil rights, equality in terms of access to information, natural resource rights, and rights pertaining to land tenure.

6 CHANGE MANAGEMENT FOR THE TRANSLATION OF PLAN INTO ACTION

To translate the Ninth Plan into action, it is necessary to obtain the support of all parties in Thai society. The Ninth Plan advocates a new development paradigm; one based on new ways of thinking and working. This paradigm will create networked and coordinated action to make Ninth Plan strategies a reality. The approach proposed consists of the following:

6.1 The be straicipation should improvement ding of Ninth Plan concepts and strategies along with development at of knowledge and leadership or change management. collaborative networks involving all development partners should be supported and enhanced to create a learning society. A public relations campaign is needed in support of the above.

6.2 Ninth Plan development strategies should guide allocation of public resources. Action plans are needed at various levels (by function and sub-national areas) to implement Ninth Plan principles.

(1) **Thematic master plan formulation.** To achieve integrated implementation of five-year thematic master plans, collaborative effort by several agencies and various stakeholders within a given thematic area is needed.

(2) **Operational plans formulation.** Operational plans should be formulated at the community, local, ministerial, and departmental levels. Horizontal coordination needs to be encouraged among various agencies and key stakeholders, including at the geographic area-function-participation scale. Operational plans should cover a period of not more than 3 years and should provide detail regarding investment, programmes, and projects. Such operational plans should clearly identify priorities and specify monitoring and evaluation frameworks.

6.3 Accelerate improvement in the functions and roles of central agencies to facilitate implementation of the Ninth Plan. Major emphasis should be placed on changing the budget allocation system to one that is results based. Budget transfers to local communities should be consistent with operational plans.

6.4 Promotion of participation by key stakeholders, especially local people, at the inception of development projects to reduce social conflicts. At the same time, monitoring and evaluation mechanisms, based on a hierarchy of indicators and data bases, are needed to track performance.

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Printed at Kurusapa Press, Lad Phrao, Wangthonglang, Bangkok, by Mr. Vichai Payackso, 2002.
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ISBN 974-01-2619-7