

Report on Participation in 2013 Thailand Field Research Trip

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M2 (as of August 2013)
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■ Academic outcomes

The “2013 Thailand Field Research” was the first experience that I could learn from the country. The motivation of this research trip was that how the Thailand Economy has been developed so far and how Thailand’s social security system such as public pension is going along according to the economy developments. Though I could not learn about the social security system, I could learn and understand the overall economy, culture and society of Thailand, one of the developing country in Asia, from this programs.

■ Thailand Economy, Society and Culture

Thailand economy maintained an average annual growth of 8% before 1997 and continued to grow an average of 5% or more even after the financial crisis. Major industries are the agricultural and fisheries and manufacturing-oriented industries are consisted of more than 70% from foreign investment, and the tourism industry has also been developed. Among the agricultural sector, it is possible to cultivate rice 3~4 times a year due to environmental factors and low labor costs, thus Thai is one of the largest rice exporter in the world.

Also Thai has become a competitive emerging country in Asia with abundant natural resources and tourism industry. In particular, Thailand has grown one of the largest tourism countries based on low cost on tour as well as many tourist attractions There are some reasons. Firstly is a good environment condition. Thailand is surrounded by three sides and has livable climate and rich flora.

Moreover, based on the geographical characteristics Thai is in the heart of Europe, Asia, and Africa playing a role of the bridge among many countries for a long time. So it is possible that a variety of Eastern and Western cultures come together and various ethnic groups settled in life in Thai, which results in a major tourism development.

There is a mix of Buddhism, Hindu and Islamic culture, which becomes another tourist attraction as well as environment condition. However, I though the reason tourists visit Thailand is that they could show them what daily life of indigenous peoples instead of these geographic, environmental factors.

Accommodation and shopping centers around tourist attractions have been modernized but tourists are satisfied with exoticism that comes from intact streets and the type of housing and the indigenous way of life, I think. It is good way to learn that how Thailand's tourism industry impacts on the Thai economy and how they develop through the tourism industry.

I felt there were so many Japanese firm and products such as Seven eleven, Toyota and many other firms we visited. It was founded Japan has already planned and extended its business abroad, especially ASEN countries

from 1970s to avoid a strong yen. It is seemed that Japan major makers increasingly relocated their production facilities overseas to gain in advantages in costs and profits in competition with foreign rivals instead of exporting from Japan. These investments might be positive for raising Thailand economy as well as Japan. As Thai government allows these kinds of investments they could hire more employees and learn new high skills, which lead to develop for domestic industry and technologies. As a result, Investments from Japan in Thai has contributed to develop Thai economy. But at the same time we should consider the level of dependence of Thai economy on Japan which may cause trade friction between two countries. There were so many Japan companies has occupied in Thailand market, which results in a trade deficit of Thailand. Two countries need to consider this problem for the long term friendly relationship, I think.

Thailand income distribution is pyramid shape, that is, the poor people have been occupied high percentage on Thai population. In Thailand, a small number of people, the high members of society and the middle class, are rich but most people has lived a life of poverty, especially peasant in north Thailand. Thus narrowing the gap between the rich and the poor will become one of the most important issue in Thailand. Though the capital of Thai, Bangkok, has been industrialization enough to live satisfactory life, other places, for example north and north-east Thailand has lived with low income. This gap between Thailand people might be one cause of unsettled political situation and social unification. A few years ago there were large protests in Thailand. Some professionals pointed out these protests caused from a rich-poor gap between different classes in Thailand. And the reason this matter is getting sever is the different level of education. Compared to Bangkok, the north and north-east people have low percentage on high level of education. The lecturer I met in Chiangmai University said they wish to change the income distribution structure to the shape of diamond that forms a thick middle class. I fully agree this concept. And to achieve this goal in the future it is needed to approach this problem to strength the social security system such as universal public health insurance and social policy support for farmers in national level. In conclusion, a growth of the middle class that can connect rich class with poor class can solve the problems on political struggle between two class and social disturbance.

I was very interested in a study tour with AC Foods' contract farmers and soybeans producers and farmers' group leaders. I learned an effective approach from producing the crops to consuming products by connecting the farmers and a firm. In terms of food company can contract directly with the producers and manage to ensure a stable supply of raw materials and get fresh foods by using local ingredients. Also it has a positive impact in products image to consumers. On the other hands, it gives a guarantee on stable income to agricultural producers of crops by ensuring a stable demand. In particular, these types of contracts can be considered to be a quite effective demand-supply chain, reducing unnecessary cost such as distribution costs. In the case of Korea, contracts between distributors and farmers are accomplished in predetermined price before farming. One problem is that most of farmers who might be economically weak people are stand in a disadvantageous position when determining the price. According to one year's agricultural crop farming, farmers have a high risk for their harvest while pre-determined price which is unfavorable prices to farmers, thus, farmers can't be assured of a stable income. In case of Thailand soybean cultivation is possible relatively short period of time; three times a year. This situation can reduce a risk for their harvest, thus these types of contract are able to develop. But considering farmers in economically weak position it is needed to continue to expand efforts to protect the incomes of farmers.

■ Asean Economic Community

10 ASEAN countries including Thailand are working on Asean Economic Community (AEC) to enforce regional

integration until 2015. The main goal of AEC is fully integrating the ASEAN countries to single market and production base, competitive economic region, equitable economic development. AEC is not simply limited to the movement of goods investment, labor, services but also enabling the free movement of companies in ASEAN, thus more severe competition will front and a variety of opportunities in the future at the same time. If the completion of the ASEAN Economic Community will succeed large economic area is formed but there are some doubts about the realization until 2015.

In order to realize the AEC's plans to form a common market by 2015, it is required that the labor and capital mobility should be moved freely as well as goods but it will takes much time. In particular, the free movement of unskilled workers has been the subject of controversy. I think it is possible to realize the planned elimination of tariffs on goods but not easy to ensure the free movement of production factors such as labor and capital in the short term. Though it is seemed to be difficult in the short term ASEAN become increasingly important economic blocks in the world and is expected to grow its future economic potential, thus we will have to use as a good opportunity.

■ Impact of the program

Joint Student Workshop hosted in Thammasat University was very excited in that I have a chance to present a my topic and discuss other students from foreign countries. Also I could widen my academic views to other topics such as ethnic minorities and desertification problem from China, which has been considered very important challenge for the future and something about Thailand economics. I think this experience is valuable for my academic career and I hope we have many chance of this kind of workshop for the future.