

CHAPTER 5

CONCLUSION

The study is divided into two major parts. The first part attempts to describe quantitatively the macro - economic of the Thailand economy over the period 1971-1985 in terms of growth assumptions of GDP by using input-output technique. The second part use the shift and share method for comparing an regional employment growth performance to that experienced by other regions. It is used as a technique for both analyzing past growth and projecting future growth by using the empirical result of employment growth projection obtained from the first part.

The results of the projections show that the proportion of employed persons in primary sector will be decreasing but increasing in tertiary sector, while the secondary sector will keep constant sharing of worker in the future. Therefore, it shows that the main shift in employment will be not from the primary sector to the secondary but from primary to the tertiary sector. The growth of employment in the tertiary sector depends primarily on the supply of labor to the non-agricultural sector, that is, on the rate of internal migration to the town, rather than on population growth, and a combination of strong public and private demand for services. Labor is the most important factor of production in the tertiary sector and there is limited scope for substituting other factors

of production (capital, management, the consumer) for labor. Furthermore, there is an increasingly pronounced preference for employment in this sector, especially among young people and women. This preference is due first of all to the system of education. The influx of labor into these occupation is due also to the increasing participation of women in economic life and to the existence of more numerous feminine occupations in the tertiary than in the secondary sector.

The central (include Bangkok Metropolis) will absorb the labor force shifting out of the north, the south and the north-east in the near future, while Bangkok Metropolis will be relatively higher labor absorptive capacity than the central (except Bangkok Metropolis) because of specializing in nationally fast-growing sectors and locational advantages or input-output access. That is to say, the central (include Bangkok Metropolis) has a competitive position in terms of its ability to have access to required inputs (both 'primary' and 'intermediate') for production at competitive costs, and of its ability to have access to markets for its outputs at competitive prices. It is meant to encompass all the locational factors affecting the functioning of a regional economy.

The above results suggest that regional difference in industrial structure are an important cause of regional differences in labor absorption in Thailand. To improve the employment creation

of the region, spatial redistribution of industry is required by encouraging the establishment of a more favorable pattern of industrial structure in the region. The identified sectors, with relatively more labor absorptive capabilities, of different regions should be selectively promoted. Similarly, the sectors, with relative lagging employment creation, should be remedied, otherwise they would become permanently employment's lagging sectors of the economy. The success and future direction of regional policy should, therefore, be viewed in the context suggested by the empirical results from the application of the industrial structure model to Thailand.

However, the employment creation in secondary sector should be stimulated to increase faster than the increase in tertiary sector. If it is not, then the tertiary sector, especially service sector, starts to turn into a reservoirs of urban underemployment. Technology should be reproduced within the local engineering and manufacturing industries and processed indigenous raw materials. For long term technology development it is important to create basic metal industries for machine tools, machine building, and component manufacture, which are indispensable features of balanced industrial structure. Development in this sector tend to have a beneficial multiplying effect on other sectors of the economy and would lessen dependence on intermediate and capital goods imports. By a combination of improvement and adaptation, the absorption of

of technology from abroad, tolerance of initial imperfection by the customers, and accumulated experience and confidence coming from self-achievement, Thailand could establish a strong and healthy technology producing sector over a period of years.

Clearly the major value of the framework developed in this study for regional planning lies in the fact that it enables the planner to set quantitative targets for the operation of a regional economy. It serves as a first step in the link necessary for bridging the wide gap that presently exists between descriptive and behavioral analysis on the one hand and the urgent need for normative guidelines for practical decision making on the other.