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**Summary of the Eighth National Economic and
Social Development Plan (1997-2001)**

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**1. Economic and Social Development in Thailand over the Past
Three Decades**

1.1 Thailand has been successful in economic development as witnessed by the high economic growth rate of 7.8 per year on average. Per capita income had increased from 2,100 baht in 1961 to 68,000 baht in 1995, or 32 times by comparison. Poverty ratio was reduced to 13.7 percent in 1992 -compared to the target of 20 percent in the Seventh National Economic and Social Development Plan. Thanks to the strong financial and fiscal stance, Thailand was given high creditworthiness by international standard. Furthermore, continuing public investment in basic infrastructures and social infrastructure services has resulted in sustained improvement in income, standard of living and quality of life of Thai people.

1.2 Although the target of economic growth had been achieved, economic activities and prosperity are still concentrated in the Bangkok Metropolitan Area (BMA). Per capita income of people in BMA is much higher than people in other regions. For example, it is 12 times those of the North-eastern Region, the poorest region in Thailand. The households in the top 20 percent income bracket earned 59 percent of total income of the country in 1992, having increased from 54 percent in 1988, while the bottom 20 percent had their share reduced from 4.6 percent in 1988 to 3.9 percent in 1992. The income gap and unequal opportunity to benefit from economic growth has affected the majority of Thai people and long-term development of the country.

1.3 The past development has given the majority of people satisfactory basic infrastructures and social infrastructure services. By 1994, 97.9 percent of rural households had access to electricity, 75 and 32 percent of households in regional cities and rural villages respectively had access to clean potable water. There were 210,025 kilometres of road networks connecting provinces, districts and sub-districts, of which 123,400 kilometres were in villages. Rural people had received higher education, 97.7 percent obtained compulsory education. The success of health development extended the average life span of Thai people to 67.7 years in 1994, compared to 63 years in 1990.

1.4 The focus on increasing wealth and prosperity as measured by monetary income has made Thai people and society more materialistic which resulted in undesirable social behaviours such as poorer moral values and ethics, lack of discipline, and greed for material wealth. Thus, traditional way of life and social norms have been fading, while family, community, and local cultures have increasingly broken down. In addition, mental pressure in the society with over-crowded urban area and poor environment caused the new pattern of sickness of the Thai people such as cancer, heart failure, high blood pressure, deaths from accidents and disaster which increased with the trend of high economic growth and incomes.

1.5 The accelerated economic development in the past have consequently aggravated the natural resources and environment. During the first two years of the Seventh Plan, forestry degradation still continued at the rate of 1 million rai (400,000 acres) per year. Plantation land was destroyed by flood, quality of water on the rivers and canal were in unusable condition. Poor urban environment such as air, dust, noise pollution, in Bangkok and regional cities, has vastly affected the quality of life. The development which ignored the cost and management of natural resources and overlooked the development of people's virtue, intellect, Thais' way of life will eventually affect the sustainability of long-term development.

2. Objective and target of the Eighth Plan

Due to the force of changes in society, the unbalanced development which resulted in "economic success on one hand, and social problems and threats to sustainable growth on the other" and in order to fulfil the long-term vision of the desirable society, the development in the next five years will be aimed toward the following objectives and targets:

2.1 Objectives

(1) Increase the people potentials in terms of physical well-being, intellect, health, vocational skills, and ability to adapt to changes in economy, society and politics.

(2) Develop stable society, strengthen family and community, support human development, increase quality of life, and increase community participation in national development.

(3) Achieve the balanced economic growth with stability and open up opportunities for people to participate in fostering and to receive fair share of benefits from growth.

(4) Utilise, preserve and rehabilitate the natural resources and environment such that they can advance economic and social development and quality of life.

(5) Reform the administrative system in order to increase the opportunity for non-governmental organisation, private sector, community, and individuals to participate in national development.

2.2 Targets

In order to achieve the stated objectives, the following targets will be used as indicators for the achievement and progress toward the main objectives of the Eighth Plan:

(1) Increase effort and quality of the all round preparation for children between 0-5 year of ages.

(2) Increase the quality of education system at all levels, especially the expansion of 9-years basic education to every child. Prepare to extend the basic education to 12 years and continuous training for all the teachers.

(3) Upgrade the skills and knowledge of workers in factory, giving the first priority to the 25-45 years age group.

(4) Ensure that less-fortunate individuals receive the opportunity for self-development and good quality social infrastructure services.

(5) Reduce work-related accidents to the level not exceeding the world standard, and reduce other accidents related to traffics, transport of toxic substance and fire in tall buildings.

(6) Maintain the stability of the Thai economy by reducing the current account deficit to 3.4 percent of GDP in the last year of the Eighth Plan and control inflation rate at the level which will not cause excessive burden to consumers.

(7) Mobilise household savings to equal at least 10 percent of the GDP in the last year of the Eighth Plan.

(8) Increase quantity and quality of basic infrastructure services in the regional and rural areas.

(9) Reduce the poverty ratio to less than 10 percent by the end of the Eighth Plan.

(10) Preserve and rehabilitate conservation forests to at least 25 percent of the total area of the country as well as protect the mangrove area to not less than 1 million rai (400,000 acres) by the end of the Eighth Plan.

(11) Create opportunity and alternatives in agricultural sector in forms of natural farming, organic farming, and integrated farming.

(12) Invest in the control and improvement in the quality of environment in order to increase the quality of life of urban, regional and rural dwellings.

3. National Economic and Social Development Strategy

The following strategies are designed to achieve the aforementioned objectives and targets of the Eighth Plan:

3.1 People Development comprises the development of quality of people including the less-fortunate groups to achieve well-beings both physically and mentally, having intellect and conscience, learning process and skills appropriate for taking responsibility for themselves and participate in national development.

3.2 Social Environment Development comprises the development of people surroundings such as family, community, arts and cultures, the strengthening of family and community unit, the social security, the development of people, family, and community.

3.3 Building the development potentials of regional and rural areas to enrich the quality of life of people, including the policy guidelines for distributing opportunities and growth using area development approach, increase participation in development and redistribution of growth by increase capability of community organisations, supporting learning process and learning networks in community, increase role of private business and non-governmental organisations in providing employment and job creation, distributing economic activities and social services, solving problems in urban environment, using multi-parties mode of administration for both general development and area development.

3.4 Developing economic support for the development of people and quality of life comprises the policy to strengthen the economy to achieve growth with stability, production restructuring to cope with changes in global market and to enhance the quality of life of Thai people, the creation of science and technology as foundation for sustainable development, the development of areas and basic infrastructures to increase production efficiency and quality of life.

3.5 Natural Resource and Environment Management, comprises the direction for administrative and management to preserve and enrich the natural resources, to create a balance in ecology, as well as to take care of the environment in order to improve quality of life and build long-run foundation for development, the management system for efficient utilisation and protection of natural resources and environment, the fair utilisation to benefit society and community, the management to protect and relief natural disaster.

3.6 Development of state where people have active participation in public governance. The creation of the public sector commitment to develop people potentiality, forming partnership between people in society and public servants in national development, uphold legal justice as principle in public management, solving social conflict in peaceful manner, mobilising participation of people in all walks of life in public activities, increase efficiency in public sector by re-engineering the bureaucratic system, ensuring continuity in national policy and management by creating an understanding in public policy and designing national agenda.

3.7 The administrative and management system for effective implementation of development plan, comprises the direction for translating development plan into implementation by using location specific management system based on tasks of government agencies together with participation from all stakeholders, development of public mechanism in implementation, adjusting role of multi-parties in participating in development, increasing efficiency of the central agency in translating development plan into implementation, develop capability of non-governmental development mechanism, develop the monitoring and evaluation capability by creating indicators of holistic development

4. The Implementation of the Eighth Plan

4.1 The Eighth Plan is an indicative plan for national development for the next decades and between 1997-2001. The plan is a strategic plan, responding to new development paradigm which shifts

from the tradition sectoral plans to an integrated approach. The integrated or the holistic approach systematically links all aspects of development and thus will lead to efficient and sustainable development which will make the Thai people benefit from the development than in the past.

4.2 The strategy and direction designated in the Eighth Plan indicate the direction of long-term development which does not emphasise the details regarding each economic and social sector or short-term measures which are routine activities of implementing agencies. The related agencies will use these strategies and directions as guidance for their implementation plan, projects and measures which will make the Eighth Plan implementable, including the establishment of targets and non-government projects which are initiated partly or solely by people for the government's support.

4.3 The implementation plans and projects, according to the Eighth Plan strategies, should also follow the framework of integrated approach; all relevant agencies should co-operate in designing, implementing, analysing, according to principle of areas and tasks together with stakeholder participation. The implementation plan which comprises of work plan, budgeting plan, human resource plan based on the Eighth Plan strategy in each area will be used as basis for government budget allocation as well as annual performance evaluation.

4.4 The monitoring and evaluation of success or failure of the Eighth Plan implementation need five levels of indicators, from overall to project performances, as follows:

(1) **Final Result Indicators.** Indicators which measure the overall result of development on the society are the crucial elements for adjusting the concepts and directions of development since they will reveal the end result cumulated from development efforts at all levels.

(2) **Sectoral Development Indicators.** The separate measurement of sectoral development will demonstrate the changes and differences in development resulting in individual sector. These indicators will be useful in designing strategy, implementation plan and projects in each sector such that the overall development will become more effective.

(3) **Strategic Indicators.** The parties responsible for implementing the Eighth Plan as well as all stakeholders will co-operate in designing the indicators for evaluating the effectiveness of the Eighth Plan's strategies.

(4) **Agencies' Performance Indicators** will measure the capacity, efficiency, effectiveness and effects of institutional arrangement of implementing agencies in order to improve the quality and effectiveness at all level of implementing agencies, including enhancing learning process of the work force, increasing efficiency in implementation, establishing the monitoring and evaluating system to obtain useful information for improving the work of executing agencies.

(5) **Condition/Situation Indicators** will give basic information and data which will complement other indicators in evaluating the Eighth Plan implementation.