

TDRI Quarterly NEWSLETTER

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The Thailand Development Research Institute (TDRI) is Thailand's first policy research institute. It carries out, and makes public, independent analyses of policy issues related to national development and transforms scholarly research into choices for action by the public and private sectors. TDRI strives to promote the search for solutions to long-term problems facing Thailand and to support policy formulation for sustainable social and economic development.

TDRI was created under the initiative of the NESDB and was founded in 1984 when Prime Minister Prem Tinsulanonda of Thailand and Pierre Elliott Trudeau of Canada presided at the signing of a CIDA aid agreement which provided the necessary funding for the establishment of TDRI. TDRI was later recognized as a nonprofit foundation by the Thai Cabinet.

Photo on front cover shows (standing left to right) Dr. Chalongsob Sussangkarn, Research Fellow and Acting Director of Human Resources and Social Development at TDRI, Dr. Twatchai Yongkittikul, Director of Planning & Development at TDRI, Dr. Dhira Phantumvanit, Associate Director of Natural Resources & Environment at TDRI, (seated left to right) Dr. Virabongsa Ramangkura, Program Director of Macroeconomic Policy at TDRI, Dr. Anat Arbbhahirama, TDRI President, and Dr. Charles Myers, HIID Consultant, as they prepare for the TDRI 1986 Year-End Conference "Resources Management". Additional details about the conference can be found in this issue.

Announcing the TDRI 1986 Year-End Conference “Resources Management”

Resources Management is the theme of the 1986 TDRI Year-end Conference which will be held on December 13-14, 1986 at the Asia Pattaya Hotel in Pattaya. Funding for the conference comes from The Asia Foundation.

As the management of the country's resources -- financial, human and natural -- is the major focus of the country's upcoming 6th Five-Year Economic and Social Development Plan, it is fitting that TDRI address these issues at the 1986 Year-end Conference. The objectives of the Conference are to disseminate TDRI's research results and provoke discussion and debate relating to the research findings; to identify the development agenda relating to the planning and management of the country's resources (financial, natural and human resources); and to inform the public, especially, the academicians, prominent businessmen and policy makers of the issues pertaining to the utilization of the country's resources.

The major issues involved in the discussions for the Conference are addressed here.

Financial Resources

The report for the TDRI 1986 Year-End Conference on financial resource management will present an overview on how the country has administered financial resources along the development course in the past. The examined administration includes how financial resources were tapped from local and foreign sources, how such resources were processed or intermediated, and how they were finally utilized by end-users. The explicit highlight of this examination is a display of time-series profile on how much, and for what reasons, the country has hinged upon foreign capital. Several immediate questions, the answers of which are also contained within the report to be presented at the 1986 Year-End Conference, may arise such as the following: Were there external financial-resource constraints hindering Thailand's economic growth in the past? What are the prospects in the future? What is the efficiency or drawbacks of current financial-resource mobilization? and What are some policy recommendations?

The study will cover the roles of both public and private entities. On the private front, household and business savings will be scrutinized in detail as to how they are determined, in what formats they are captured, and patterns of end uses. The structure of existing financial and capital markets will also be scanned through along with the rough characteristics of the preferences in savings behavior so that recommendations on savings mobilization can be

reached. In addition, patterns of past investment financing and promotion are also examined so that the past difficulties experienced in bridging the gap between surplus units and investment needs may suggest more effective strategies on financial resource management. Also included is a concise, yet well-integrated, delineation of financial flows into and out of most public offices. This overall scanning of public finance situations encompasses not only those of the central and local governments but also those of state enterprises as well as interaction among public agencies/enterprises. Therefore the report represents a rather comprehensive study of how the entire economy manipulated its own and external financial resources along the past development process.

Furthermore, the study will present the economic outlook for the Thai economy over the period of the Sixth Plan, with special emphasis on resource mobilization and utilization, taking into consideration the current and likely situations in the energy and primary commodity markets. The outlook will also include the extent of future dependence on foreign capital. Finally, some policy directions will be recommended concerning various aspects of financial resource management.

By Dr. Virabongse Ramangkura, Director of the Macroeconomic Policy Program with Dr. Pakorn Vichyanond, Research Fellow at TDRI. ๒

Human Resources

Employment, Migration, Education and Health: These are the basic human resource management issues to be highlighted and analyzed at the upcoming TDR I year-end conference.

Because of the rapid rate of fertility decline over the past 15 years, spearheaded by the highly successful National Family Planning Program, the current major human resource issue is not so much total population growth, but rather questions concerning population distribution and development. The four topics to be discussed can be viewed along these dimensions: the distribution of population by economic activities (Employment); the distribution of population by geographical location (Migration); the development of human ability (Education) and well-being (Health). Each of these issues has implications for the public management of human resources, whether through direct involvement, or through implications on government development planning.

Some of the key issues and problem areas to be discussed at the TDR I Year-end Conference are the following.

Employment

Almost 70% of the labour force works in agriculture, and around 4-5 million are unemployed during the dry season every year. This represents a huge waste of human resources, equivalent to about 1.5-2% of GDP at the prevailing unskilled wage in agriculture. While population growth has slowed down, labour force growth over the Sixth Plan period is still expected to be high (around 2.5-2.8% per annum). What is the future prospect, given the bleak outlook on the prices of major crops, and the expected slow growth in cultivated area? This will be examined based upon preliminary results from a multi-crop, multi-region Non-linear Programming Model of the agricultural sector currently being built at TDR I (and the first in Thailand), which is designed to look at the seasonal pattern of demand for labour in particular.

On educated open unemployment, the next decade is likely to be a transitional period. Currently, the better educated workers (particularly those with vocational



education) face the severest problem of open unemployment. Up till a few years ago most of the better educated were absorbed by the government. With budgetary problems necessitating slow growth in government employment, the private sector has to be relied upon to take up the slack. Will there be sufficient demand to meet the continued fast expansion at the vocational and higher education levels? Part of the problem is the existence of labour market segmentation, with formal sector employment offering substantial pay differential to those able to enter, and hence an incentive for the unemployed to queue up for entry. The analysis will attempt to clarify the labour market structure in Thailand, the extent of segmentation, and the implications relating to the open unemployment problem in the future.

Migration

Migration is to a large extent the response to unequal economic opportunities. Seasonal migration is driven by the lack of work during the slack agricultural season, and is one important alternative seasonal unemployment. The total picture on seasonal migration for Thailand has never been available. This will be presented based on new data, together with some analysis of the pattern of seasonal migration.

Health

Longer term migration occurs mainly because of the overall disparities in economic development among regions and areas, and together with fertility and mortality will determine the geographical distribution of population. In currently available demographic projections with geographical breakdowns, migration rates have simply been assumed, based on past trends. Although this method of population projection may be a fair approximation, especially in the near term, it does not take into account the impact on migration of different scenarios that might result from a change in important factors, such as a change in particular government policies, or a change in labour market situations at the regional levels. Based upon an econometric analysis of the relationships between migration and economic factors—including regional wage and unemployment differential, population pressure, etc. -- population projections with breakdowns into 5 Regions and rural-urban will be presented, together with discussions on the policy issues associated with urbanization.

While public financing of health care is much less than private financing, the health budget is nevertheless significant, especially in the current tight fiscal position. The basic issue is then the efficient utilization of health resources given present family size preference, patterns of diseases, and utilization of health services.

One issue, given the past success of the Family Planning Program, is whether some of the family planning budget should be reallocated to other health related expenditures. There is evidence to suggest that some selective reductions may be possible without any reduction in contraceptive prevalence. This is because recent demographic changes, particularly urbanization and the increasing importance of education, seem to have led to smaller desired family size among newly married women. Another issue is the increasing demand for curative services. The degree and extent of subsidy of curative services needs to be carefully worked out, and the feasibility of alternative insurance schemes explored.

By Dr. Chalongphob Sussangkarn, Research Fellow in the Macroeconomic Policy Program and also Acting Director of the Human Resources and Social Development Program at TDRI. 

Education

Education is an important part of human development. It is related to socialization, the instillation of discipline, self-fulfillment, as well as an avenue to economic rewards. In Thailand, the government's role in education is pervasive, both in terms of public provisions and price setting and controls, and as the user of educated workers. Apart from the employment question, there are a number of complex issues regarding the management and regulation of the educational system that will be discussed. These relate to the balance between provision of the various levels of education, and between the different disciplines, and whether the current pattern of subsidies and price controls is appropriate. For example, should public provision of university education continue to be highly subsidized; should price controls of private secondary schools be lifted? The issues are complicated, and touch upon equity considerations, incentives affecting the demand for education and private provision, as well as current and future labour market structures, which determine the economic rewards for education.

Announcing the

TDRI 1986 Year-end Conference

RESOURCES MANAGEMENT

**Financial Resources
Human Resources
Natural Resources**

on December 13-14, 1986

at Asia Pattaya Hotel

**For more information call
258-9012-7 for Khun Rajada
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Chantdee.**

Natural Resources

Thailand's wealth lies in its natural resources. The country used to be endowed with fertile lands, plentiful river basins, abundant mineral resources including offshore natural gas, 2,614 kms of coastline with productive fishing grounds in both the Gulf of Thailand and the Andaman Sea.

With such rich heritage, Thailand has fostered its development based on the consumption of its natural resources. Agricultural development has progressed apace, taxing more and more the country's rich but, nevertheless, limited lands. Meanwhile, the ensuing industrial development means more intensive use of natural resources, raising the issue of the assimilative capacity of the surrounding environment to clean itself.

With the rapid growth of Thailand's population, from a scant eight million in 1911 to the present number of more than 52 million, the distribution and use of the country's natural resources merits serious considerations. Now, as the twenty-first century draws closer, there are warning signs that the present pattern of development may prove unsustainable.

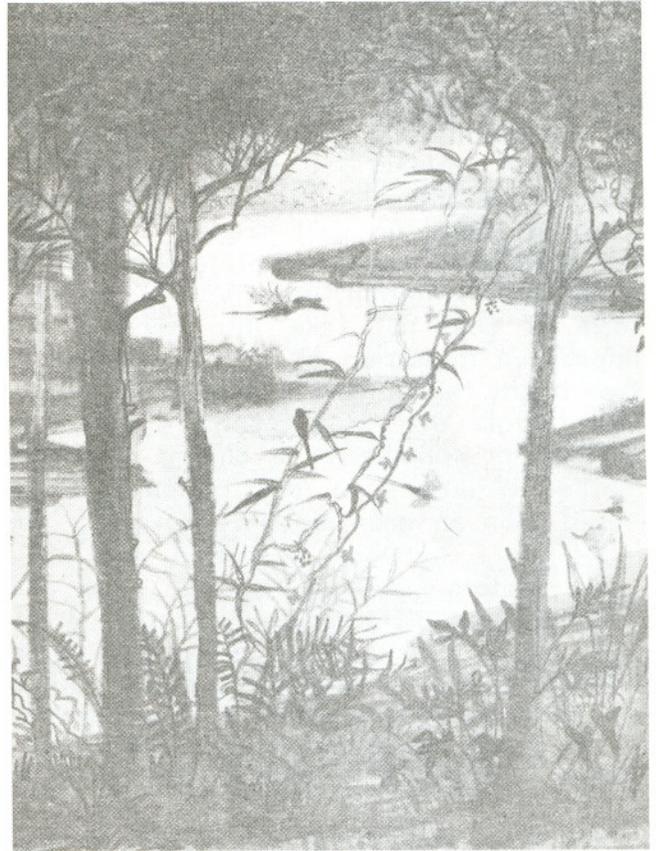
Between 1961 and 1985, more than 78 million rai of forest land has been encroached upon. This is equivalent to the loss of 24% of the total land area of the country which was once classified as forest.

In the Gulf, Thailand has already crossed the threshold in terms of the maximum sustainable yield of marine capture fisheries. As a result, approximately 40 per cent of total marine landing now are "trash" fish, with up to 50 per cent being juveniles of valuable fish species.

- As for water resources, the competition for their use is becoming more intense particularly in the Bangkok area. The present lack of adequate water supply has led to the abstraction of groundwater and will eventually create soil subsidence contributing to the frequent flooding of the capital city.

- On the issue as basic as land, there are 500,000 landless households in the country. This figure does not include another estimated 1 million households illegally settled in encroached forest lands.

- Finally, on the issue of environmental quality, our laissez-faire attitude has led to the degradation of klongs and the Chao



Phya River in Bangkok. It is now estimated that the total cost for a proper sewerage system will cost 36 billion baht.

All these issues related to the management of our natural resources and environment have been considered in perspective in the research work on Thailand Natural Resources Profile. The intention is to enable the understanding of the total picture as a whole, rather in fragmented and uncoordinated parts. Trends in resources consumption have been analyzed, and shortfalls of the present system and strategies for the future were formulated.

This research work drew upon the contribution of 19 local specialists who have been working on the project for the past 10 months. The conclusion is clear. The days of carefree exploitation and destruction of Thailand's natural resources are numbered. The sustainability of Thailand's economic and social development will rely on striking a balance between population growth, equitable consumption of our natural resources and wise management of our environment.

-By Dr. Dhira Phantumvanit, Associate Director of the Natural Resources and Environment Program at TDRI. 

Land Resources: Issues and Policies

During the past two decades, the problems of land availability, land use, land classification and development, land tenure and titling and land administration have become increasingly acute in Thailand. These problems, if left unsolved, will have serious political, economic and social consequences. A coherent national land policy is therefore urgently needed.

The Land Policy

Land may be put into different uses for certain objectives. These objectives may be of economic, social and political in nature. The formulation of only one land policy to achieve all types of objectives cannot be done with efficiency. Therefore, land policy may be divided into 4 distinct, though very often interrelated, categories, i.e., land policies for economic, social, conservation, and national security purposes.

1. Land Policy for Economic Purposes

For this type of land policy, the land area can be divided into outside the forest areas and within the forest areas. Outside the forest areas, policies which are relevant include: land rights (i.e., to give title deeds to land holders), land tax (e.g., to introduce progressive land tax), agricultural zoning, farm development strategies, soil conservation and urban land use. Within the forest areas, 40% of the total land of the country must be reserved for forest, of which 25% will be commercial forest. For this type of forest, the private sector should be encouraged to participate in the development. Other policies include the degazettement of national forest reserve areas which has already become large communities and the development of coastal forest areas which should be done by means of zoning.

2. Land Policy for Social Purposes

No less than 2.5 million families or about 12 million people have problems of land for their livelihood. They include 1 million families living in the forest reserve areas, 1 million tenants, and 0.5 million landless families. The distribution of land to these people have been done by a number of agencies namely the Agricultural Land Reform Office, the Public Welfare

Department, the Cooperatives Promotion Department and the Royal Forestry Department. The progress on this has been rather limited and there is a need for speeding up the implementation. Moreover, there is also a need to minimize the differences in practices of these land distributing agencies, for example, with regard to land rights, infrastructure development and farm size.

3. Land Policy for Conservation Purposes

According to the forestry policy, 15% of the nation's total land area must be allocated for conservation forest. This is about 48 million rai. Headwater areas must be strictly protected and reforestation should be accelerated. A master plan for development of national park areas (about 16 million rai) should be prepared.

4. Land Policy for National Security

Part of the land areas should be reserved for activities supporting national security such as for military purposes and for setting up settlements along the border.

It must be noted that the determination of the 4 types of land policy is based on the main objectives of the policy. It does not mean that the benefits derived will accrue to only the objective or aspect of the policy. Our purpose for such a classification is to enable one to have a clear picture of each policy, particularly on its intended or specified objectives(s).

Finally, hilltribes policy is also specified separately since it cannot fall into only a single policy objective.

The Strategy

Three types of strategy are proposed:

- 1) Land Classification Improvement
- 2) Establishment of a Land Information System
- 3) Restructuring of the Land Administration

The last strategy calls for a rather drastic restructuring of the existing land administration system in Thailand. Among the recommendations are the setting up of the Bureau of Land Reform and the Ministry of Natural Resources.

By **Dr. Thongroj On-Chan**, Project Director of the Land Policy Project at TDRI. 

Japan-Thailand Relations Today

by Dr. Saburo Okita

Following up on the Japan-Thailand consultations late last year, a study team of experts from governmental agencies and other organizations concerned was formed to study the modalities of Japanese cooperation with Thailand's Sixth Five-Year Plan starting next year. With myself as chairman, the study team visited Bangkok in early September 1986. In many ways, this study team was similar to the First Okita Mission Concerning Economic and Technical Cooperation with Thailand that visited

Thailand five years ago and ended up agreeing on a broad range of cooperation with Thailand's Fifth Five-year Plan, with special emphasis on the Eastern Seaboard Project to develop the Gulf of Thailand and agricultural assistance centering on Northeastern Thailand. Although there have been many changes over the past five years, both in Thailand and in the international community at large, the Sixth Five-year Plan generally follows the basic policy lines laid down in the Fifth Five-year Plan.

In that Fifth Five-year Plan (1982-86), Thailand achieved 4.8% per-annum growth. While this was somewhat less than the 7.1% per-annum growth achieved during the Fourth Five-year Plan (1977-81), it was still a very respectable performance given international economic developments and the situation in the other ASEAN countries during the period. The target for the Sixth Five-year Plan's period of 1987-91 is expected to be set at about 5% per annum.

In meeting with the group on September 10, Prime Minister General Prem Tinsulanonda said that the important issues for Thailand are those of reducing Thailand's fiscal deficit, expanding employment, and alleviating rural poverty, and he expressed the hope that there will be greater direct investment from Japan, that Japan will import more Thai fruit and vegetables, that more Japanese tourists will visit Thailand, and that Japan will continue to cooperate



Dr. Saburo Okita, President of the Institute for Domestic and International Policy Studies of Japan and TDRI Council Member greets Dr. Ammar Siamwalla, Director of the Agriculture and Rural Development Program, while Dr. Anat Arbhahirama (center), TDRI President, looks on.

with the Eastern Seaboard Project. In addition to meeting with Prime Minister General Prem Tinsulanonda, the group also met with Minister to the Office of the Prime Minister, Flying Officer Suli Mahasandana, Minister of Finance Suthee Singhasaneh, Minister of Foreign Affairs Air Chief Marshal Siddhi Savetsila, Minister of Agriculture and Cooperatives General Harn Leenanond, and Deputy Prime Minister Bhichai Rattakul as well as with former Minister of Finance Sommai Hoontrakul. Host for the study group was my friend of twenty-years' standing Secretary-General of the National Economic and Social Development Board Dr. Snoh Unakul.

Last year, the Thai economy recorded 4.1% growth, which was the best of any ASEAN country (others being Indonesia's 1.0%, Malaysia's 2.8%, the Philippines' -4.0%, and Singapore's -1.8%). However, the value of Thai exports was depressed by the lower international prices for rice, sugar, tin, and other primary commodities, and this has hit the rural areas especially hard. For example, the United States sold 150,000 tons of sugar to China at a subsidized price 40% lower than the international market price in an attempt to dump its surplus stocks, further depressing the sugar market and creating major problems for Thailand. Likewise, the United States has announced plans to subsidize rice exports, and the government of Thailand has found it necessary to regis-

ter a protest with the United States government over this. The Thai economy overall is growing, but rural purchasing power is being eroded with the result that, for example, automobile sales were down from over 100,000 vehicles the year before last to under 80,000 this year and sales of electrical appliances are also down.

All of the officials that the mission spoke with emphasized the importance of greater direct investment from Japan. While it is realized that the investment decision has to be made by each company in light of its own considerations, it is felt that the government of Japan should take the necessary steps to lessen the risks for Japanese investing overseas, including enhancing export-import insurance schemes and reviewing the taxation of investment reserves or financing. At the same time, it was mentioned that the Thai side is currently engaged in preparations for overhauling the tax system and providing more attractive treatment for exports and investment from overseas. With Japan promoting imports, stimulating domestic demand, and encouraging overseas investment as recommended in the Report of the Advisory Group on Economic Structural Adjustment for International Harmony (the so-called Maekawa Report), it is expected that these Japanese policies will complement Thailand's own efforts to foster exports and attract investment. The yen's rapid appreciation over the last year is another factor making overseas production more attractive for Japanese companies, and it is hoped that this will work in favor of greater Japanese investment in Thailand.

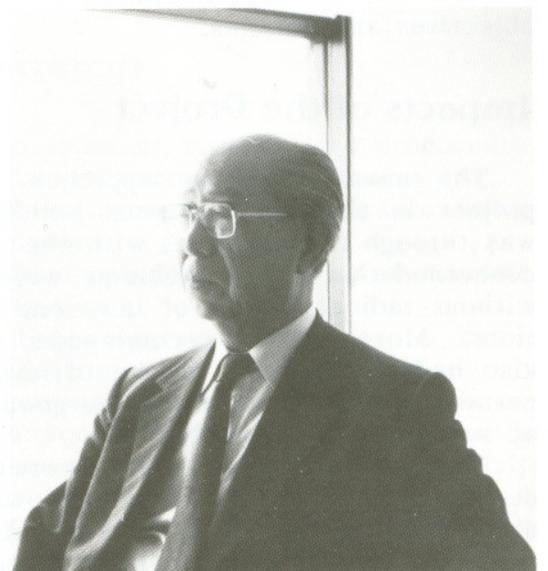
Dr. Saburo Okita was born in Manchuria, China in 1914. He was educated in Electrical Engineering at Tokyo University and also studied economics. After graduation from Tokyo University, he worked at the Ministry of Post and Telegraph in the Ministry of Foreign Affairs and the Economic Stabilization Office, and later at the Economic Planning Agency.

Dr. Okita's past positions have been as Foreign Affairs Minister in the Ohira Government, President of Japan Economic Research Institute, and the President of the Overseas Economic Cooperation Fund (OECF).

Currently, Dr. Okita is President of Japan International University, Advisor to the Ministry of Foreign Affairs, Advisor to the Economic Planning Agency, Chairman of the Institute for Domestic and International Policy Studies and also serves on the TDRI Council of Trustees. He has been recently honored by the Emperor by receiving the Grand Cordon of the Order of the Rising Sun, one of the highest Orders in Japan. 

Other countries are also interested in investing in Thailand. Taiwanese companies, for example, have seen wages go up sharply with the country's strong trade surplus recently, such that they are now approximately three times Thai wages. As pointed out in the discussions with Secretary-General of the National Economic and Social Development Board, Dr. Snoh Unakul, there have been three major phases to postwar Asian development: the first Japan's rapid economic growth in the 1960s, the second the emergence of the Asian NICs (the newly industrializing countries of Hong Kong, Korea, Singapore, and Taiwan) in the 1970s, and the third the shift of labor-intensive industries to the other ASEAN countries and China as strong growth pushes wages up in the NICs in the 1980s.

As Thailand looks for markets for its exports, the Thai side pointed out, it is unlikely that the United States will expand its imports very much given its twin trade and fiscal deficits. As a result, while trade with the United States has been the dominant influence in Asian economic development to date, the need now is for greater internally generated growth in Asia, which in turn means a need for including expanded intra-regional trade and investment. Next year will see both the celebration of His Royal Highness King Bhumibol Adulyadej's sixtieth birthday and the centennial of modern diplomatic relations between Japan and Thailand. What better occasion to promote expanded Japanese investment in Thailand for closer relations between our peoples and strengthened friendship in the years ahead. 



TDRI RESEARCH REVIEW

TDRI Rural Development Project

In 1981, the Royal Thai Government established the National Rural Development Program (NRDP) and incorporated it into the Fifth Five-Year Plan. The Program represented a major shift of policy and reflects the Government's concern of improving its development approach in rural areas.

When the Program had been in operation for three years, it was recognized that there was a serious need to improve the NRDP management system. Thus, TDRI undertook a project designed to help strengthen the NRDP system so that the Government's management of rural development programs could respond efficiently to the needs of the poorest segment of the population.

The project was supported by the United Nations Development Program (UNDP), and was undertaken by TDRI in collaboration with the National Rural Development Coordinating Center (NRDCC) of the National Economic and Social Development Board (NESDB).

The objectives of the project were as follows: (1) to improve and strengthen the Government's management systems for rural development by analyzing management structure and procedures and formulating recommendations for improvement, (2) to improve the efficiency of rural development personnel through the introduction of improved techniques for skill development, and (3) to mobilize and strengthen the use of media in communicating national rural development objectives and policies.

Impacts of the Project

The most important approach of this project is through consensus building. It was through the dialogues with the officials concerned that many problems were solved without radical change of laws and regulations. Moreover, the recommended changes also had the consent of the officials concerned, so that there would be good chance of successful implementation.

Through the process of interview and discussion, a channel of dialogue was created, enabling the officials from different ministries and departments to exchange ideas

and problems. The working environment and the spirit of cooperation was thus improved considerably.

An administrative manual was an innovative output of this project. Compared with the original manual, this not only describes the functions and procedure of the NRDP, but also describes the steps of work in detail, and explains how each step is to be carried out, by whom, and during what months.

The installation of a micro computer not only demonstrated how it can help the officials perform their duty much more rapidly, but also provided guidelines concerning the limitations and prerequisites for computer installation. One of the most important contributions of this component is that it demonstrated the fact that computerization should not be applied nationwide, but should be selective depending on the potentials and readiness of each particular province.

The study on training points clearly to the fact that current training in rural development has created a great deal of duplication and uneconomical use of resources. Such an awareness results in a strong intent to improve planning for training, to improve techniques, and to make training more effective.

The impact of the media component is also evident. It has resulted in the realization that the use of media needs to be re-oriented, new methods and new channels should be applied to their full potential.

Overall, the general impact should not be measured merely by the fact that the National Committee has given approval to all the major recommendations proposed, but that officials at all levels realize their own potential to improve rural development through closer cooperation.

Members of the TDRI Team, presented the findings of the project to the Prime Minister at the meeting of the National Rural Development Committee held at the Office of the Prime Minister. Members of the Team include: Dr. Anat Arbhahirama, Dr. Twatchai Yongkittikul, Dr. Orapin Sopchokchai, Dr. Tatchai Sangsingkeow, Dr. Chartchai Na Chiangmai and Dr. Seri Wongmonta. 

The Status of Coastal and Marine Resources of Thailand

Thailand has already crossed the threshold in terms of the maximum sustainable yield of marine capture fisheries within her own seas. At present, the replenishment of the marine fish stock is left entirely in the hands of nature. Up to now, any deficit from the reduction in the fish catch can be compensated by those captured from neighboring territories. However, such a situation can not last forever.

On coastal development in general, a more rosy picture can be painted. Thailand has yet to take full benefit from her rich coastal resources. Coastal tourism development, in particular, has ample room for growth. With 2,614 kilometers of coastline, development can be achieved while conservation for important coastal areas, such as mangroves, can also be secured. The key pending question is how to share the generated wealth so that the coastal inhabitants can also harvest the fruits of their land.

Marine Capture Fisheries

From available figures, the Gulf of Thailand is overfished and only the pelagic resources of the Andaman Sea offer room for expansion. Overfishing is a result of various factors including excessive use of fishing vessels and gears. Increasing fishing costs, particularly fuel prices, have put pressure on the fishermen which has resulted in the illegal use of small meshes in order to catch more. On top of this, the development of fish meal and animal food industries induces the harvesting of trash fish. In addition, near shore push-netting is another practice that damages the resources because of the high percentage of juvenile shrimp and fish species netted.

A solution to the problem is joint-venture deep sea fishing with other coastal nations. However, unless better terms can be agreed upon with potential fishing partners, it is unlikely that this approach will increase the amount of marine catch landing in Thailand's ports. The host countries normally demand that the catch must be landed in their territories.

A two-pronged approach is thus warranted. Firstly, better management of

marine capture fisheries in Thailand's EEZ is a prerequisite to any improvement in the existing situation. Emphasis should be given to the use of economic incentives to self-regulate the trawling practices in consonance with the maximum sustainable yields. On this issue, a better understanding of imminent changes due to the introduction of new marine capture fishery technologies and the expansion of the marine product industry is needed. The ultimate objective is to arrest overfishing in Thailand's waters which is now the case.

Secondly, in-depth analysis of past experiences in the joint-ventures would be valuable to the formulation of any new viable strategy. It is well recognized that the government and the private sector must work in tandem to promote future joint-ventures. Changes which need to be introduced should rely on a better understanding of the situation of the fishing industry in Thailand and those of its partners. In addition, the issue of sustainable yields of different fish species in international waters should be given due attention.

Coastal Zone Development

Any hindrance to the progress in coastal tourism development is not due to the lack of tourism development plans but rather to the lack of implementing existing plans. Yet it is well recognized that the potential for progress in this area is immense and the economic return which could be further generated is still unlimited.

The key to a successful tourism development program goes beyond the mandate of the tourism authority alone. First and foremost, the private tourism sector -- hoteliers, the service businessmen, etc. -- must recognize the value of systematic development in line with the projected growth rate of tourists. Second, infrastructure development, i.e., the provision of an adequate water supply, electricity and other utilities, must be planned in advance and coordinated so that investment funds can be allocated accordingly. Third, the local community itself must enjoy the benefits of tourism development and become an active partner in the process.

Administratively, the traditional approach in Thailand is to refer to the policy decided by the headquarters of line agencies in Bangkok. Authority at the provincial level is rather limited. This is due to the tax system of the country by which revenues collected by the government are appropriated in Bangkok leaving insufficient income at the disposal of local authorities.

Yet, for successful and lasting coastal development, the active role of the local authorities is the prerequisite. Consensus building among governmental agencies responsible for various uses of the same coastal areas is the key. Decisions on the best use of coastal areas should rely on technical mapping of various uses and continuing dialogue among interested parties, both within the government and the private sector. Emphasis should be given to the pronounced conflicts of interest, such as the use of mangrove for aquaculture vis-a-vis wood production for charcoal, and tourism vis-a-vis industrial development. The ultimate

objective is to formulate coastal land and water use plans which are acceptable to all.

This project was jointly initiated by the Swedish Marine Resources Commission (DSH), Thailand Development Research Institute (TDRI) and the United Nations Environment Program (UNEP).

The research team consisted of Dr. Anat Arbhabhirama, President of TDRI and Advisor to the project; Dr. Pakit Kiravanich, Deputy Secretary-General of the National Environment Board and Advisor to the project; Dr. Dhira Phantumvanit, Associate Director of the Natural Resources and Environment Program and Director of the project; Dr. Manhunnop Bunpapong, Department of Marine Sciences at Chulalongkorn University and Researcher to the project; and Ms. Suthawan Sathirathai, Research Associate at TDRI and Researcher to the project.

Copies of the final report "The Status of Coastal and Marine Resources of Thailand" can be obtained from the Publications Office at TDRI. ☐

Policy on the Stabilization of Chicken Prices

The fluctuations in the prices of chicken and broiler have caused concern among the chicken raisers and the importers of Grandparent stock (GPS) and Parent stock (PS) and the general consumer. It also raises the fear of the mass killing of chicken in order to stabilize the price. The proposal to control the import of GPS and PS has once again been submitted to the government. By regulating the supply of GPS and PS, it is expected that the price of chicken can be put under control.

In a study done for the Chareon Phokaphan Group of Companies, the TDRI research team has shown that the fluctuation in the price of chicken depends significantly on the changes in prices of chicken meat. The change in the quantity of GPS imported has very little influence on the price of chicken. Therefore, controlling the import of GPS may not bring about stability in the price of chicken.

Another consideration is that the quantity of chicken that can be produced by each GPS and PS is not fixed. By extending the laying period of the stock, a higher number of chicken can be obtained. Therefore, controlling the import of GPS and PS cannot totally restrict the supply of chicken, and the extension of the laying period beyond its optimum, means that the

cost of chicken has to be higher (due to the lower number of eggs produced per day and the lower rate of hatchability of these eggs). The bearer of the cost of such inefficiency is the chicken raiser and the consumer.

The administration of the import control system is an even more important constraint. Precise information about the future demand for chicken and meat and eggs is necessary in determining the quantity of import at a given point of time. This information is difficult, if not impossible, to obtain. And on top of this, the import control system has to be efficient and impartial or the chicken raiser and the general public will have to bear the burden of the inefficiency.

Since the fluctuation arises from the uncertainty in the prices of chicken meat and eggs, the government can reduce the fluctuation by providing the private sector with better information about the import of GPS, PS and the export of meat and eggs. This information would enable the private sector to do more accurate planning and consequently reduce the fluctuation in the price of chicken.

TDRI Research Fellow Dr. Suthad Sethboonsarng coordinated the project with Dr. Somnuk Tubpun of the Faculty of Economics at Thammasat University. ☐

PEOPLE AND ACTIVITIES

Anat Appointed as Chairman of Economic Affairs

Prime Minister Prem Tinsulanonda has recently appointed Dr. Anat Arbhabharama, TDRI President, as the Chairman of the Committee on Economic Affairs. Dr. Twatchai Yongkittikul, Director of Planning and Development at TDRI has been appointed as secretary to the committee. The Committee on Economic Affairs is one of three committees under the Prime Minister's nine-member Advisory Board: the other two

committees are the Committee on Political and Administrative Affairs and the Committee on Social Affairs. Three of the nine-member Advisory Board appointed by the Prime Minister are from TDRI -- Dr. Anat Arbhabharama, TDRI President, Dr. Virabongsa Ramangkura, Macroeconomic Program Director, and Dr. Thinapan Nakata, Research Fellow. ☐

Prem Selects 4 from TDRI for Public Administration Reform Committee



Prime Minister Prem Tinsulanonda has selected four from TDRI to serve on the Public Administration Reform Committee -- Dr. Snoh Unakul, TDRI Chairman of the Council and Board, Dr. Anat Arbhabharama, TDRI President, Dr. Phaichitr Uathavikul, TDRI Project Advisor, and Dr. Thinapan Nakata, TDRI Research Fellow. The Public Administration Reform Committee consists of specialists and highly experienced personnel in the field of Public Administration. The Committee's objectives are to formulate a national plan on public administration reform. The plan will set the target, revise the laws and regulations and provide strategies and direction for public administration. The Committee is chaired by Admiral Sonthi Boonyachai. ☐

Train Speaks at TDRI

Mr. Russel Train, Former Administrator of the US Environmental Protection Agency and presently Chairman, World Wildlife Fund (USA) visited TDRI and delivered a speech on "Environmental Management and Economic Development" to about 40 key environmentalists and planners. Among the participants were Dr. Snoh Unakul, Dr. Anat Arbhabharama, H.E. William A. Brown, Dr. John Eriksson, Director of USAID, Khun Pravit Ruyaporn, Secretary-General, National Environment Board and Dr. Dhira Phantumvanit, Associate Director of Natural Resources and Environment Program. ☐



Mr. Russel E. Train, Chairman of the World Wildlife Fund

World Project LINK Meeting Held in Bangkok

The World Project LINK Meeting, which assesses the world economic situation and outlook and analyzes international economic policy developments, took place in Bangkok on September 8-12, 1986. The meeting was cosponsored by the Development Planning Division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in association with TDRI and the Project LINK, University of Pennsylvania, U.S.A.

The September 1986 Project LINK forecasts situate world GNP growth slightly below the 1985 performance. Growth is projected at 3.3% for 1986 compared with 3.6% for 1985. In industrialized countries, the U.S. economy and the EEC countries are expected to perform at about the same level as in 1985, with a GNP growth rate of 2.4% and 2.5% forecasted respectively in 1986. The Japanese economy is, however, expected to slow down significantly with a forecasted growth rate of about 1.7% in 1986 compared with 4.4% in 1985.

Developing countries are projected to experience an important slow down in growth



in 1986 with a forecast of aggregate growth of 3.7% in 1986, down from 4.9% in 1985. Except for Africa, all developing regions and in particular OPEC will grow more slowly in 1986. Aggregate growth for Asia including China is projected at 6.9% in 1986, down from 7.1% in 1985. Growth projected for Asia might be somewhat on the optimistic side.

As far as the world economic situation, the LINK forecasts that a slight recovery is generally expected in 1987 with world GNP growth up from 3.3% in 1986 to 3.9% growth in 1987. □

S & T Evaluates New Computer Software

Working under the direction of Dr. Kopr Kritayakirana, TDRI S&T Program Director, Dr. Lerson Tanasugarn, TDRI Research Associate, Khun Chairat Jitkaew, TDRI Research Assistant, and Khun Tareepan Teepasiri, TDRI Information Officer, have assisted the National Center for Genetic Engineering and Biotechnology (NCGEB) in evaluating a new molecular model color graphic simulation computer software at the request of Dr. Yongyuth Yuthavong, the Center's Director. On September 15, 1986, the Center sent its Computer Specialist, Khun Jantarat Srimahasongkram, to TDRI for a six-hour brainstorming workshop on the software, which is written by J.G. Henkel of the University of Connecticut and F. H. Clarke of Ciba-Gaigy Corporation and published by Academic Press. Subsequently, Dr. Yongyuth himself and Khun Jantarat visited TDRI to test the program on November 12, 1986. The Center is now in the process of acquiring its own computer hardware to run the program.

The program, running on an IBM-PC with color graphics, allows a user to view molecular structures in three dimensions and move (translate/rotate/invert) them over all three axes in space. The user may zoom in and out at different portions of the molecule and create a space-filling model of the molecule with a single keystroke. Advanced features include simultaneous display of several interacting structures. For example, various amino acid residues near the active site of an enzyme could be displayed. The user may then manipulate the enzyme and substrate (what the enzyme acts upon) to observe the three-dimensional interaction between the substrate and the enzyme's active site. This software is applicable to problems in protein chemistry as well as those in molecular genetics, although the molecular genetics database will have to be developed. It can be used to analyze biochemical reaction mechanisms as well as to help in designing or improving certain drugs. □

TRADE CONFERENCE Discusses Liberalization Strategies

Senior trade policy officials from some 21 developing and developed countries met October 31 to November 1 in Bangkok to discuss the Role and Interests of the Developing Countries in the Multilateral Trade Negotiations (MTN). Also attending the conference were representatives of several international organizations including the World Bank, GATT, IMF, UNCTAD and Commonwealth Secretariat; and trade policy experts from both developed and developing countries. The conference was co-sponsored by the Thailand Development Research Institute and the World Bank. The discussions were informal and off the record.

Participants discussed what they hoped the new round of MTN recently launched in Uruguay could achieve in the liberalization of trade in goods and service; the strategies for achieving it, and the obstacles that will have to be overcome in order to create a better trading system.

The conference covered a wide range of issues of concern to Thailand and other ASEAN countries. Among these issues was agricultural protection and the potential of addressing and reducing some of the serious distortions and problems currently confronting international trade in agriculture. Other issues which generated extensive discussion and on which a wide range of views were expressed included: how to reduce Voluntary Export Restraints, as exemplified by the Multifiber Arrangement (MFA); liberalization of trade in services, the link between trade and balance of payment policies, and the rationale and implementation of Special and More Favorable Treatment for the trade of developing countries.

Participants agreed on the importance of the international trading system to the development prospects of the developing countries; the need to reduce trade barriers in both developed and developing countries and the useful role which these negotiations can play in achieving such reductions. It was also noted that progress in trade reforms will depend in part on progress in effective economic management in both developed and developing countries. Finally participants agreed on the need for effective participation of the developing countries in the Uruguay Round in order to ensure progress in securing a liberal multilateral trading system. **R**



Prof. Jagdish Bhagwati, Columbia University; Dr. Anat Arbhahirama, President, TDRI; Prof. Anne O. Krueger, Vice President, Economic & Research Staff, The World Bank; H.E. Chirayu Isarangkun Na Ayuthaya, Minister of the Prime Minister's Office; and Dr. Snoh Unakul, Secretary-General, NESDB, Chairman, TDRI.

PUBLICATIONS

The following list includes publications currently available from the Publications Office at TDRI. To ensure prompt handling of requests, include payment where applicable. Other publications such as the TDRI Report 1986, TDRI monthly newsletter and the TDRI brochure may be obtained free of charge.

"National Strategy for Major Accident Prevention in the Chemical Industry", by Dhira Phantumvanit and others, Jan., 1986, ฿ 200.

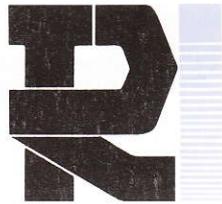
"Clean Technologies for the Pulp and Paper Industry, the Textile Industry and Metal Coating and Finishing in Thailand", by Dhira Phantumvanit and others, Feb., 1986, ฿ 200.

"Population Policy Background Paper for the Sixth National Economic and Social Development Plan", by Thongtip Ratanarat, Chira Hongladarom and others, Jan., 1986. ฿ 300.

"Export Industries and Export Promotion Policies of Thailand", by Juanjai Ajanant, April, 1986, ฿ 100.

"The Status of Coastal and Marine Resources of Thailand", by Dhira Phantumvanit and others, Aug., 1986.

"นโยบายการรักษาเสถียรภาพราคาไก่เนื้อ" (Policy on the Stabilization of Chicken Prices), โดย ดร. สมนึก ทับพันธ์, มีนาคม 2529, 100 บาท.



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