

Nutsuchon Intrawut 2007: The Impact of Globalization on Income Distribution and Poverty: The Roles of Technology and Human Capital. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Sungvean Chanthongkaew, Ph.D. 122 pages.

This research has two aims. Firstly, it examines the incidences of income distribution and poverty in the globalization era and compares these different situations between Thailand and South Korea (henceforth Korea). Second, it investigates the impact of globalization, particularly through technology transfer channel, on income distribution and poverty. The methodology used for achieving the first aims is descriptive analysis which use a secondary data of Thailand and Korea between 1960s to 1990s and the second aim is quantitative analysis which uses a secondary data of Thailand between 1986 to 2004 and estimates by ordinary least square, then solves all equations by simulation technique which is divided into two scenarios. The first scenario is to increase a degree of openness by 10 percent. While the second scenario is to decrease an education inequality by 1 percent.

The results found that a degree of openness and foreign direct investment as indicators of globalization had uninterruptedly increased, especially since 1980s. Although, the trends of income distribution and poverty had improved at between- country level. However, they showed a different story at within-country level. In the case of Thailand and Korea, they were the highest growth economies but they had different incidences of income distribution. This distinction is that Korea had implemented policies which related to technology transfer and education corresponding to the dynamic of economy better than Thailand. For simulation results, the first scenario reveals that when a degree of openness rised by 10 percent, both income distribution and poverty had increased 2.0858 and 5.9417 percent, respectively. The second scenario shows that when an education inequality dropped by 1 percent, both income distribution and poverty had decreased 1.2454 and 4.7979, respectively.

These findings lead to policy implication that government should carefully implement trade liberalization policy by regarding to technology transfer and human capital for technology capability which appropriate to the economy for distributing the benefits of economic growth to people more equally. Moreover, the policy to promote an educational access for reducing education inequality can be used as a policy option to mitigate the income distribution and poverty problems.

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Thesis Advisor's signature

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