

## ABSTRACT

Thesis Title : Government Expenditure and Economic Growth of Thailand

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The government sector plays a vital role in developing economic system via financial policy, particularly in expenditure. The purpose of study on the government expenditure and the economic growth of Thailand was to analyze the role of government in economic system, the expenditure structure, the amount of expenditure and the impact of government expenditure on the economic growth during 1970-1994. The analysis was carried out by the economic growth model of Ram.

Results of this study showed that the government allocated expenditure proportion on consumption more than on investment. In 1988 this expenditure tended to be reduced by increasing the expenditure on investment on transportation and communication, dwelling, and agriculture, respectively. For the expenditure on consumption, government allocated utmost expenditure on defending, education and research and general administration, respectively.

Expenditure policy has been allocated in accordance with the goal of National Economic and Social Development Plan. Comparing with developed countries and other ASEAN developing countries, the small amount or proportion of expenditure per GDP indicated that government policy hardly effected on economic system

Result from economic growth model showed that both the increased proportion of expenditure on investment and the investment proportion of private sector per GDP have positively related to the economic growth of statistical significance by the reliability coefficient 99%. In addition this study showed that the increased proportion of expenditure on consumption, the increased rate of labor and the first and second petrol crisis did not relate to economic growth.