

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

In the face of the oil crisis, when the world oil prices hit an all-time high at US\$140 a barrel in the first half of 2008 from \$100 early in the year, these translated into 40 baht a litre for diesel from 27 baht at local filling stations (Bangkokpost, 2008). People were wondering how they could survive at a time when the cost of living was very high but real incomes were in negative territory. Although surging oil and goods prices are a global phenomenon, wildly fluctuating energy prices and rapid rises of the cost of living have increasingly kept people in Thailand on edge. Never before has the government faced so many demands from so many groups at the same time. Businessmen have called for the government's help as soaring prices have used up their cash flow. Transport operators and fishermen look for oil price subsidies while commuters pray for a freeze in their fares. The ongoing protests are not affecting the stability of the government but merely affecting the feelings of the people. Prices for some commodities, such as rice, have risen because of greater worldwide demand, but farmers complain that these have been offset by high inflation spurred by soaring fuel prices. On 15 July 2008, the government, finally, introduced a new 47-billion-baht economic assistance programme which are tax cuts for diesel and gasohol 95, free electricity (apply only to small households using less than 150 units per month) and water for small households, free buses for Bangkok residents and free third-class train travel. Excise tax cuts for fuel will take effect from July 25, 2008, while the other measures will run from August 1, 2008 until January 31, 2009.

It is believed that this programme will help Thailand achieve economic growth of up to 6% this year and it could also cut household expenses by up to 1,000 baht per month. Authorities also estimate that 3.2 million households nationwide will qualify for the breaks on water bills and 6.47 million households for the electricity waiver. Another 9.86 million households using 81 to 150 units of electricity per month will benefit from the 50% discount (Bangkok post, 2008)

The government announced six measures to help low-income people, at a cost of 47.4 billion Baht. All effective from August 1, 2008 to January 31, 2009 except the fuel tax cut, which starts July 25, 2008

	Cost (Baht)
1. Excise tax cuts bring the price of gasohol 95 down by 3.88 baht/litre and diesel by 2.71 baht.	30 billion
2. Freeze the price of household cooking gas.	
3. Free electricity for households using less than 80 units / month : 50% subsidy for those using 81-150 units.	12 billion
4. Free tapwater for homes using less than 50 units / month.	3.93 billion
5. Free travel on half of the 1,600 non-air-conditioned BMTA busses.	1.24 billion
6. Free travel on all non-air-conditioned trains.	250 million

In this study, the policy of free water, free electricity and free buses will be selected as the study policy because they are considered the most beneficial policy for people working and residing in Bangkok, the capital city, where 5,716,248 registered people reside in. (National Statistical Office, 2009). Since Bangkok is the biggest city and has the highest population in Thailand, people living and working in Bangkok, therefore, will be able to significantly demonstrate the attitude towards the six month relief package of free water, free electricity and free buses, and their changes in behavior after the announcement of the measures. Rattanakosin Island will be the chosen area for distributing questionnaires since this area is made up of universities, government offices, temples, the Grand Palace, and Sanam Luang, where people with different occupations live ,work or use as a bus transit.

1.2 STATEMENT OF THE PROBLEMS

This study will be conducted to answer the question below:

- What are the attitudes of the public towards the six-month relief package of free water, free electricity and free buses?
- What are the changes in their behavior after the package announcement?

1.3 OBJECTIVES OF THE STUDY

1.3.1 Main Objective

To reveal the attitude of the public towards the six-month relief package of free water, free electricity and free buses and their behavioral changes after the announcement of the package.

1.3.2 Sub-Objectives

1. To investigate public opinions towards the six-month relief package of free water, free electricity and free buses.
2. To examine the change in their behavior in response to the package.

1.4 DEFINITION OF TERMS

The operational definitions of the terms in this study are defined as:

1.4.1 Public means both male and female aged between 20 and 60 working or residing in Rattanakosin Island area in any occupation.

1.4.2 Rattanakosin Island means a 1.8 square kilometer area that is encircled by the Chao Phraya river and Khlong Lord. The area of Rattanakasin Island consists of The National Museum, Thammasat University, Prachan Pier, Elephant Pier, The Grand Palace, Sanam Luang, Ratchapradit Temple, The Ministry of National Defense and The Ministry of Justice.

1.4.3 The six-month relief package of free electricity, free water and free buses means an economic assistance programme which consists of free electricity (applied only to small households using less than 80 units per month and 50% subsidy

for those using 81-150 unit per month), free water (applied only to small households using less than 50 unit per month), and free buses for Bangkok residents (Free travel on half of the 1,600 non-air-conditioned BMTA busses). The measures ran from August 1, 2008 until January 31, 2009.

1.4.4 Public attitudes toward the six-month relief package of free water, free electricity and free buses mean the general attitude of both male and female aged between 20 and 60 working or residing in Rattanakosin Island area toward the six-month relief package.

1.4.5 Changes in public consumption behavior of electricity, water and buses after the announcement of the package means the behavior in using water, electricity and buses that have been changed after the announcement of the six-month relief package of free electricity, free water and free buses.

1.5 SCOPE OF THE STUDY

The population of this study will be people aged between 20 and 60 working or residing in Rattanakosin Island area in any occupation. The total number of people who were asked to complete the questionnaire were 100.

The period of this study will begin from November 2008 until the end of February 2009. The stage of the study will be divided into 4 parts which are planning, implementation, analysis and report phases. The planning phase is divided into 5 steps as revising literature, determining samples, designing questions, performing pre-test questions, revising questions and completing post-test questions. The implementation phase comprises of distributing the questionnaire and collecting data that will be completed by December 2008. Analysis phase which includes data verification and data processing and analysis will be processed throughout January 2009. Lastly, the report phase will be done from January 2009 till February 2009.

1.6 SIGNIFICANCE OF THE STUDY

The study will reveal the attitudes of the public towards the six-month relief package of free water, free electricity and free buses and changes in their behavior after the announcement of the measure. The findings will be beneficial to the government because it will learn how their policy was received by the public. The result will also help the government understand the real needs of people to provide a better package of public assistance.

1.7 ORGANIZATION OF THE STUDY

The study of public attitudes toward the six-month relief package of free water, free electricity and free buses, and changes in their behavior after the announcement of the measures is divided into five chapters. The first chapter is an introduction to the study which provides background, problem statements, objectives, definitions of terms, scope, significance, and organization of the study. The second chapter is the review of literature. The third chapter describes the methodology of the study. The results of the study are presented in the fourth chapter. Conclusions, discussion and recommendations are presented in the last chapter.