

Nutchanat Eiamkee 2014: The Relationship between Government Expenditure and Income Distribution in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Ms. Chittawan Chanagul, Ph.D. 125 pages.

At the present time, issues concerned with income distribution and gaps between classes of society are the main problems that confront Thailand. As a result they need to be dealt with urgently. Fiscal policy, especially state expenditure, is one of the tools that the government can employ in order to increase equality within society. The main aim of this research was to study about the budget planner of government expenditure and income distribution in Thailand, including an analysis of the relationship between government expenditure and income distribution in Thailand. Variables which were studied as part of the investigation consisted of: the gini coefficient, agricultural expenditure, industrial expenditure, education expenditure, public health expenditure, a number of direct taxes, gross domestic product per capita, proportion of exports and imports per gross domestic product in the country, foreign direct investment, and the index of social democracy in Thailand. This information used in the study are secondary information (annual sequence type) since the year of 1988 – 2012. The researcher analyses the quantitative data from multiple linear regression with ordinary least square method.

The study showed that amounts of industrial expenditure, education expenditure, public health expenditure, and the number of direct taxes had an inverse relationship with the level of the Gini coefficient i.e. when these forms of expenditure and taxes were increased; problems related to income distribution were alleviated to some extent. The index of social democracy in Thailand however, was demonstrated to have a unidirectional correlation with the Gini coefficient, meaning that when the index of social democracy strengthened, negative issues connected with unequal income distribution exhibited signs of worsening.

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