

Aphisit Banchong 2014: Income Inequality on Economic Growth in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Kanokwan Chancharoenchai, Ph.D. 112 pages.

Preceding process of economic development led to economic growth, however, income inequality levels remains high. Such concern becomes macroeconomic topics of interest among the government and scholars spending considerable efforts exploring proper solution of economic development process. This study concentrated on interpreting the economic fundamentals and income inequality indicators expected to affect economic growth during 1988 to 2011. It is demonstrated that the Ordinary Least Square (OLS) estimation fit better than the first order autoregressive (AR(1)) model. In addition, the growth rate of the poor representing the absolute income inequality was found to slow down the economic growth while the increasing rate of the coefficient that reflects the relative income inequality was not statistically important. Capital and labors were key factors in boosting the economy. However, the increasing rate of those employed graduates representing human capital had negative impact on economic growth or it means that the education management did not support the economic development. Therefore, the government should support more on education management which can increase more human capital to serve country 's needs. Likewise, the government should also promote capital accumulation and employment together with reducing poverty so that the sustainable economic growth will be achieved.

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Thesis Advisor's signature