

Pairat Klumthong 2008: The Relationship between Globalization and Income Distribution in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Ms. Wuthiya Saraithong, Ph.D. 108 pages.

The objectives of this research is to study the relationship between globalization and income distribution in Thailand by using secondary data from 1986-2006 and multiple regression analysis. This study analyzes globalization at 2 levels: the country level and the sector level, agriculture and industrial sector.

As for the country level, the results shows that globalization in term of trade worsens the relative income distribution. This outcome is mainly caused by the export structure which consists of a number of high-tech products. This structure is also related to the import of machines which only benefits skilled labor. However, Thailand does not have a large pooled skill labor. Consequently, the income distribution is inequal. The inequality of education also affects Thailand's income distribution. The study finds that Thailand still cannot expand education to remote areas. In addition people with high income have higher education than people who have low income. This further worsens the income distribution problem.

As for the sector level, shows that the agriculture exports improve income distribution because a large proportion of labor works in the agricultural sector, thereby increasing agricultural exports bring about a better income distribution. And the result show that the industrial sectors (export and foreign direct investment) worsens the income distribution because the role of technology in Thailand's industrial sector. So, the result is the same effect of trade on income distribution.

This study's findings lead to policy implication that the government should support the exports of agricultural product. Besides the government should provide training courses that are enough to receive coming technology therefore, decrease the problem of income distribution in one level. Moreover it should expand education policy and support scholarship to poor people for reduce income distribution problem in long term.

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Thesis Advisor's signature

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