

Nirarut Vilasmongkolchai 2014: Minimum Wage Determination of Unskilled Labor. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Associate Professor Supriya Kuandachakupt, Ph.D. 61 pages.

The minimum wage was enforced in Thailand since 1973. Although the wage committee had the factors and the criteria used to determine minimum wage rate, each time the minimum wage rate had been adjusted, there was often controversial and took long debates to reach an agreement. Especially in 2012, the minimum wage rate was adjusted as high as 39 – 50 percent, which might affect small and medium - sized enterprises, including labor intensive business. Thailand's minimum wage rate was ranked the third highest minimum wage rate in the ASEAN community. This study aimed to analyze factors correlated with determination of minimum wage rate in Thailand during the past 22 years. Based on the secondary data during 1991 – 2012, from various sources and multiple regression analysis were used for the analysis.

The results showed that the factors correlated with the minimum wage rate of Thailand during the years 1991 – 2011 were Non-agricultural employment, Consumer Price Index, Labor productivity and Non-agricultural GDP, respectively. However this study found that during the years 1991-2012 there was only one factor correlated with the minimum wage rate, which was Consumer Price Index. It showed that the minimum wage rate in 2012 was not consistent with the capability to pay of employers and economic conditions. The conclusion was the factors correlated with the minimum wage rate were different in each period. But the minimum wage was always correlated with the consumer price index.

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