

Ruethairat Wisedsak 2013: The Impact of Trade Liberalization on Employment.

Master of Economics, Major Field: Economics, Department of Economics.

Thesis Advisor: Assistant Professor Budit Chaivitchayachat, Ph.D. 127 pages.

This research aims to study the effect of the FTA on employment in four sectors; including agriculture, manufacture, construction and transportation and communication. The empirical study is based on secondary data starting from the first quarter of 2001 to the fourth quarter of 2011. The analytical techniques including Pooled Regression, Fixed Effect Model and Random Effect Model

The results showed that the FTA has a negative impact on employment in the agriculture sector, causing a decrease in employment in the agriculture sector. Because some farmers are unable to compete with the importation, as the high production costs causing a reduction in the production and employment. In contrast the manufacture, construction, transportation and communication sectors were not affected by the FTA, due to their low transaction level of trading volume.

Therefore, the governments should prepare to deal with the effects of the FTA, especially the agriculture sector which serve as a protective and assisting mechanism for the farmers, in order to be able to improve their production for the competition. As for other sectors, the entrepreneurs should be encouraged to take benefits from the FTA.

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Thesis Advisor's signature

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