



The Entrepreneurs Tendency to Cope and Minimum Wage in the Future

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Abstract:- A force in the country, Thailand is determined to let the employees have increased labor costs to comply with the high cost of living, so it can be seen that for many years, this has been up. Many labor force increase, it will significantly impact both positive and negative making. The labor problem has occurred. Approach to solve the problem, there will be the administrative process to solve the problem, for maximum efficiency. The value of the strong force that holds jobs is one of the things that makes the employees choose to work for entrepreneurs. Labor is considered entrepreneurs must pay for their employees to return, and as the employee's morale. Wages are determined by law, the minimum wage in the mechanisms of the free market. To be honest, it is not the employee employment entrepreneur or employer to determine minimum wage employee benefit. Do employees, with morale at the same time, define the minimum wage rate increases inevitably affect the SME entrepreneur or employer as well. During the current economic problems, with Thailand, which is quiet. Defining the national economic and social development plan helps solve problems and guide the development of the country. Which will be used as the main way of coping, for entrepreneurs dealing with minimum wage and as a guide to resolving the problem of the next entrepreneurs.

Keywords: Coping, Operator, Minimum wage

Introduction

In today's Thai economy, there is a huge need for workers. Since the introduction of the minimum wage policy in 2012 to the present, wages have increased due to circumstances and conditions and changes in various dimensions both internally and externally. Especially in 2016, the Thai economy grew from 2015 to 3.2%, thus a turning point in the country's employment process.

“Wage” means money agreed upon by employers and employees as compensation for work performed under an employment contract. The normal working periods are hourly, daily, weekly, monthly, or other periods or paid based on the work done by the employee. during normal working hours of a working day and shall include money paid by the employer to the employee on holidays and leave in which the employee is not working.

“Workday Wages” means wages paid for full-time work of normal work. In the past 10 years, the minimum wage rate for Thai workers has not been appropriate for the rising cost of living. That is to say, the expansion of the minimum wage that workers receive is slower than the increase in the cost of living, keeping up with the rising cost of living. This imbalance puts workers in a low economic position and is at risk of poverty or debt. From the aforementioned problems, governments of every era have the policy to increase labor wages to be in line with the ever-increasing cost of living. In addition to increasing the income and purchasing power of workers, it also increases productivity and increases the country's economic competitiveness. However, governments must take into account the impact on business operations and the cost of manufacturing or industries that are largely labor-intensive to operate, which can affect prices of



goods that need to be raised through policy wage increases. Increasing the proportion of labor in the country to provide opportunities for some groups of Thais to earn income in the form of “set hourly wages in a special nature of work” for entrepreneurs to be able to hire the elderly, the disabled, or General employees after full-time work. The government's minimum wage adjustment policy will have both positive and negative impacts. On the positive side, lower-level workers earn higher incomes which, of course, is beneficial to increase purchasing power or increase savings for these workers, but this will happen. Only if the cost of living does not increase without leaving too much gap, because if wages go up but the cost of living goes up, there is no difference because the distance between the minimum wage and the cost-of-living ceiling remains the same, Entrepreneurs have to bear the increased cost, some businesses may pass this burden to the selling price, but some businesses may just reduce profits or loss profits but the business is still alive. The impact of this issue is on the strict management of that organization or business to reduce operating costs to maintain the same proportion of profits so that the packaging industry can adapt and survive. The government sector should have additional measures to help entrepreneurs, especially small and medium-sized entrepreneurs, such as subsidizing contributions to the Social Security Fund on behalf of entrepreneurs immediately in the first year and gradually reducing subsidies after the entrepreneurs. Adaptation has supported the development of skilled labor to increase labor efficiency. (Pimolsaengsuriya, A. 2020; Buayaensaeng, C. 2012).

The minimum wage history

The statutory minimum wage was first proposed as a way to curb the rapid proliferation of industrial plants in the manufacturing sector. These factories employ large numbers of women and children and are paid in amounts that are considered below standard wages. These factory owners were thought to have unfair bargaining power over their employees and minimum wages were proposed as a way to force them to pay "fairly". Helping people, especially families, become more self-sufficient these days. The minimum wage law covers workers in most low-paying employment fields. (Pimolsaengsuriya, A. 2020).

The minimum wage has been actively attracted by society, rooted in concerns about the ability of markets to achieve income equality for the least talented members of the workforce. For some, the obvious solution to this concern is to define a new political wage structure to achieve a better distribution of social income. Therefore, the minimum wage law was settled contrary to the poverty reduction criteria. (Pimolsaengsuriya, A. 2020). Although the minimum wage goal is widely recognized as appropriate, there is considerable disagreement over whether the minimum wage is effective enough to achieve it. Since its introduction, the minimum wage law has been highly controversial in politics and has received much less support from economists than the general public. Despite decades of experience and research in economics, controversy over the value and benefits of minimum wage persists to this day.

The shortcomings of the minimum wage in poverty reduction classic described by George Stigler in 1946 are as follows (Pimolsaengsuriya, A. 2020); (1) The proportion of employment may fall below the proportion at which wages increase, thus reducing overall working income. (2) When an economic sector that is not subject to the minimum wage law accepts workers discharged from the sector under the law, the proportion of wage reductions in the non-legal sector may exceed the wages in the sector under the law. (3) The impact of minimum wages on family



income distribution may be negative. Unless fewer but better jobs are allocated to members of needy families rather than, for example, teenagers from non-poor families. (4) Prohibiting employers from paying less than the minimum wage required by law is prohibiting workers from selling their labor less than the minimum wage. The legal limitation that an employer cannot pay less than the statutory wages is a legal limit that the worker cannot work at all. In the protected sectors of the economy, unless they find an employer willing to pay accordingly.

Empirical studies directly indicate that the impact of poverty eradication in the United States is relatively rare. Although there was no unemployment effect, very few low-wage workers came from poor families. But those who benefit from minimum wage laws are mostly teenagers and low-skilled adult women and part-time workers, and any wage rate that affects their income is disproportionately proportional to the time where they were offered to work. Therefore, if market outcomes for low-skill families are integrated in a socially satisfactory way, factors other than wage rates must also be considered. These include employment opportunities and factors that limit participation in the labor market. Economist Thomas Sowell has argued that, regardless of tradition or law, the real minimum wage must always be zero, and zero is the wage that someone will receive. If they are unable to find a job when they try to enter the labor market or when they lose the job they are doing (Wikipedia, the free encyclopedia. 2020).

The history of the minimum wage increases in Thailand

Thailand has set the first minimum wage rate according to the Revolutionary Council Announcement No. 103 by authorizing the Ministry of Interior to determine the first wage committee which is a tripartite committee consisting of employer representatives, employee representatives, and government officials. The first minimum wage rate enacted in 1973 was 12 baht per day or 312 baht per month for monthly employees, which is the only rate and is applicable in the four provinces of Bangkok, Samut Prakan, Nonthaburi, and Pathum Thani. Subsequently, the Ministry of Interior issued an announcement and an order of the Ministry of Interior. Regarding the setting of minimum wages, additional enforcement areas in 2 provinces, namely Samut Sakhon and Nakhon Pathom. After that, the enforcement was extended to cover the whole country from October 1, 1977. Then the minimum wage is adjusted every day on January 1 or April 1. The minimum wage adjustment agenda is not clearly stated in the law, usually once a year. But some years adjust more than once or some years there is no adjustment. This depends on the economic situation, political policies, and the bargaining power of the labor movement at that time. Later, during the reign of Mr. Chuan Leekpai as Prime Minister, the Labor Protection Act 1998 B.E. 2544 The Act decentralizes the minimum wage rate to the provincial level which has appointed a provincial minimum wage subcommittee to consider wage rates in their provinces, taking into account factors related to the socio-economic conditions of each province (Thailand Development Research Institute. 2014). In 2012, Thailand raised the minimum wage in various provinces to provide adequate wages for workers to work in some provinces. Has been adjusted to increase wages in all provinces in order not to cause chaos for labor workers. In 2016, small wages were raised to match the rising cost of living in the country's top industrial provinces. In 2018, wages were increased further to meet the rising cost of living but did not cover all provinces (Pimolsaengsuriya, A. 2020).

From the foregoing, the author concludes that from the past to the present, Thailand has experienced a large wage increase over the past few years, which has made Thailand progress in the field of labor and at the same time has It is possible that in the future the minimum wage is



likely to increase, causing the rate of employment to decline. This is because entrepreneurs are unable to employ large numbers of workers due to rising wages.

Wage fund theory

In 1870, when economists began to recognize the importance of labor costs as a more important factor of production, they sought to find a better way of paying wages than previously used. Two theories that have come up are: (1) The subsistence wage theory, which David Ricardo tried to determine by linking wages to population, labor force, and survival. The principle is that, in the long run, wages must naturally adapt to a level that allows workers to survive, that is, wages will be sufficient to provide food, clothing, and housing. Because these costs will make workers live, high wages will incentivize the production of additional labor, this theory is applicable only in very less developed societies. (2) Wage fund theory by John Stuart Mill in 1837, which assumes that each employer has a certain amount of funds for the payment of wages, and how much of each employee's share is divided by the average number of employees, i.e. wage increases, according to population growth or by the size of the fund. This theory is unacceptable because averaging is the same regardless of performance. (Buayaemsaeng, C. 2012).

The wages by productivity

Guidelines for determining wages according to production (Buayaemsaeng, C. 2012) are as follows;

1. The focus of this theory will be on considering the relationship between wages, productivity, and employment. In considering the relationship between wages, they try to look at the productivity of labor as the main factor, based on the value of the work that can be obtained, which is divided into two sub-theories: (a) the marginal productivity theory. shall be equal to the value of the portion of the output in addition to the total normal output achieved. This theoretical wage is equal to the value of the output he can earn and the wages of all his employees. This is because everyone does the same job, so they have the same performance. (b) The productive efficiency theory, enhanced from the first theory, is to allow individual employees to show that they can increase (or reduce) their wages according to their productivity.

2. The bargaining theory of wages, this theory assumes that Indeed, the wages of jobs are multi-rate, which are distributed over a range of different wage rates, with the highest level at which the employer is willing to pay and the lowest level at which the worker is willing to receive.

From the foregoing, the author concludes that wages are linked to population, labor force, and survival, wages must naturally adapt to a level that allows workers to survive. Each employer has a certain amount of funds for the payment of wages and how much of each employee's share is divided by the average number of employees or the wages paid to the employee are equal to the value of the additional productivity. Up from the normal total output as usual. This theoretical wage is equal to the value of his productivity and the wages of all employees.



The wage market mechanism

The minimum wage rate is an intervention in the labor market price mechanism, a measure used by the state to raise the wage rate above the equilibrium wage rate. When states impose minimum wage rates for certain types of workers. Producers cannot employ labor at a rate lower than the established minimum rate. The State will set the minimum wage rate when it considers that the equilibrium wage is too low to the extent that it causes distress to the workers. But due to actual conditions, the cost of living in each locality will vary. Therefore, the minimum wage rate established in different regions also differs. But the minimum wage often causes unemployment problems. The country's use of a mixed economy is rather capitalist. This allows the private sector to play a large role in determining market prices. But if the market price level or the equilibrium price causes trouble for some people, the state will intervene in the price mechanism to help and create fairness in the economic system (Ministry of Finance . 2020).

Wage setting

There are three methods of determining wages in the free market as follows (Buayaemsaeng, C. 2012).

1. Demand and Supply Pricing:

1.1 Demand refers to the amount of demand for a particular product or service that the consumer is willing to buy and able to purchase at any given time at various price levels determined by the market. It can be seen that demand generation consists of three important parts; (1) Wants: Consumers must first have a desire for those goods or services. However, demand is not demanding because demand must be a demand that can be bought and traded. (2) willingness to pay: the consumer's willingness to sacrifice their money or property in exchange for those goods or services to satisfy their needs. (3) Purchasing power or ability to pay: It is considered an essential element, no matter how much a person has a desire or need for a good or service without the ability to purchase or obtain it. Real trading will not happen. That is, it will only be a potential demand. The ability to purchase is usually determined by the size of the property or income that a person has or earns in the same direction. That is to say, if there is a lot of income or assets, the ability to buy will be high, if there is little, it will have a low purchasing ability.

1.2 Supply refers to the amount of demand for the sale of a particular product or service. that the manufacturer or entrepreneur is willing to offer and can be procured for sale or service at any moment at various price levels set by the market. From the definition of supply, it can be seen that supply consists of two main parts: (1) willingness, that is, at different price levels provided by the market A producer or entrepreneur is willing or willing to offer a product or service to the consumer's purchasing needs. (2) the ability to sell, that is, the producer or entrepreneur must provide goods or services sufficient to meet the purchasing demand of consumers at the market price at that time (can be offered for sale or service Yes) when referring to supply, it is the producer's side as opposed to the consumer's side of demand. In economics, the relationship between the price of a good and the supply of a good is governed by the Law of Supply.



2. Market and market types

In economics, a "market" is a market that is the scope of the sale of a particular commodity where buyers and sellers can contact and agree on a trade. Therefore, the market in the economic sense does not emphasize the place where it is traded. Even if buyers and sellers live in different parts of the world and do not have a place to trade, a market can be created by contacting each other by letter, email, telegram, telephone, radio, or fax. Trading without a physical market, there is no fixed location, thus it is convenient to expand the trading territory. Therefore, the market for certain goods and services has a wide global scope, it is known as the global market. The world market is therefore not located in any one place but is merely an indication of the global trading conditions of goods around the world, that at that time, each country around the world had the production and demand of any kind of commodity. Types of markets are divided according to the nature of competition, market segmentation according to the nature of competition, also known as the number of sellers, and the nature of the product. This method of segmentation of the market is very close to reality because in reality there will be a large number of buyers and it is more convenient to divide by the number of sellers. For the market analysis, economists also pay attention to market segmentation according to this method, which can be divided into two types:

2.1 Competitive market, also known as perfect or pure competition. This type of market is very rare in the real world, it can be said that it is the ideal market for economists. This type of market is a market where the price of goods is driven by the forces of demand and supply, without other factors driving the price. The main characteristic of this type of market is that many buyers and sellers, each with a small percentage of trade compared to the total number of buyers and sellers in the market. The purchase of goods by individual buyers or sellers does not influence market pricing. That is to say, even if a buyer or seller stops buying or selling his or her product, it will not affect the total quantity of goods in the market because each buyer or seller will buy or sell a small amount in comparison with the quantity. All products are available in the market. Goods purchased or sold must have homogeneity, be completely interchangeable in the view or eyes of the buyer, regardless of the seller purchasing the same item from any seller. For example, if the market is competitive, buyers will not feel that each box of detergent is different, which means they are completely interchangeable. But if at any time the buyer has the feeling that the goods are different, then the state of being a completely competitive market is gone, then the buyer and the seller must have complete knowledge of the market condition, That is to say, knowledge of demand, supply, and market prices. What kind of product has the demand, what is the supply, the price is high or low, it can be known? The transaction must be done conveniently, meaning that both the buyer and the seller can trade easily and quickly, as well as the movement of production factors must be convenient and fast. Business units can enter or exit free trade, this type of market must not have any restrictions or barriers to the entry of new entrepreneurs. This means that new manufacturing units can enter the business at any time to compete with existing business units or, conversely, be liquidated at any time.

2.2 Non-perfect competition market, because a perfectly competitive market is rare because it is the ideal market for economists. Most of the real-world markets are imperfectly competitive. This is because most of the goods sold in the marketplace are not the same, causing



the buyer to be more satisfied with the goods of one seller than the other. In addition, the buyers or sellers in the business are too few to influence the selling price. That is, instead of accepting the market price, it is the one who sets the price itself, the goods that are traded in the general market are often inconvenient to move because the road is not good, the communication is not good, and maybe there is also an embargo law, and consumers are not well versed in market conditions, making the market an imperfectly competitive market.

3. The role of the state in price intervention and price control

It is an act of helping to stabilize the price of goods. This is because some products are not stable in price, that is, when the quantity of production changes, it often causes the price to change, which may be too high or too low, causing the consumer or the producer to suffer. Therefore, the government came to assist both consumers and producers, which affects the equilibrium of the market, generally divided into 2 cases;

3.1 Minimum price control: To determine the minimum price, the State will intervene in the market by guaranteeing or supporting the price if an item is likely to be very low or below the minimum price. Minimum price controls are measures taken by governments to control prices to help producers not suffer from the fact that the price of a product that is too low is not worth the cost. The market price is lower than the insurance price or the minimum price will cause trouble for the producer because the product is sold less than the minimum price. In principle, the state can do this in two ways; (1) Increasing demand for a commodity whereby the State may reduce taxes on that product or invite more consumption of that product.

(2) Reduce the supply by limiting production, for example, the production of that product is reduced and other products are produced instead.

3.2 Maximum price control: Maximum price control is a measure by which governments regulate prices to assist consumers who have suffered from rising prices of essential goods. With high price control, the government sets the maximum selling price of the goods and prohibits anyone from selling more than the price set by the government.

From the foregoing, the author concludes that the determination of wages depends on three factors: (1) supply and demand pricing. (2) market and market type. (3) The role of the state in price intervention and price control. Therefore, for the company to be able to continue its business and to adapt to the changing situation, even more, there may be help from the government or other organizations or to set more company prices.

Problems that affect

Problems that affect employers and employees in a chain The organization was shaken by the inequality in labor costs, and the enterprises asked for supportive policies from the state, hoping for the breath of survival at the same time. after the 300-baht wage policy was implemented, It also affects the consideration of providing other welfare from the workplace to more difficult workers as well. It also resulted in some enterprises secretly reducing welfare in many aspects to reduce the cost of employment. For example, from the former employer used to provide employees with rice as a monthly benefit, one bag per person will be cut or downgraded to supplement this section. From jasmine rice to plain white rice instead, and the detriment to the morale of former employees in the organization is the new labor rate that affects the wages of former employees



who have worked for many years. But there is a labor cost that has climbed up the same ladder that is not different from the labor cost of a new employee who has just come to work, but has a higher labor rate until it is at a similar level. In this way, the old people see that it is unfair from the government's policy of rising labor costs, which shakes the morale at work and leads to problems. The labor group has expressed its views on the problems affecting the implementation of the policy to the government, asking the government to find a way to reduce the cost of living, which had previously skyrocketed, to the original level. Before announcing a 300-baht wage increase, and asking to unlock this effect by enacting a law requiring entrepreneurs to raise wages for employees every year on a ladder as well as to add more welfare in other areas, and to provide for the development of skilled workers traveling to the workplace where employees work with inattentiveness or devotion to the organization (Buayaemsang, C. 2012).

Most of the opinions of employers and representatives indicated that the policy had an immediate impact on the cost of raw materials, labor, and overhead. In addition, there is a problem of labor shortage in the lower level and the competitiveness of enterprises is reduced which is in agreement with the employee's side on the effect of labor cost between old and new workers (Buayaemsang, C. 2012). As a result of this 300-baht wage adjustment, it is evident that the morale of both operators and employees has significantly decreased when the wages are adjusted to 300 baht, causing entrepreneurs to reduce welfare benefits that have been given to employees or need to change the structure for entrepreneurs to survive, This affects the employees as well, causing a lack of morale and possibly losing confidence in entrepreneurs as well. This will cause the entrepreneur to lose that business or organization.

Development of Thailand during the Twelfth National Economic and Social Development Plan (2017-2021)

It is in a time of national reform to solve many fundamental problems that have been accumulated for a long time in the rapidly changing and closely connected world situation. The economic competition will become more intense, the world society will be more closely connected as a borderless environment. The development of technology will change rapidly and will greatly affect the lives of society and the conduct of economic activities. While Thailand has limitations on strategic fundamentals in almost all areas and will become more obvious obstacles to development. The Twelfth Development Plan period is a very challenging time in which Thailand has to make a huge adjustment. The economic competition in the world is much more intense. But Thailand has many limitations such as low quality of Thai people, labor and wages are not balanced enough, most of them have problems in knowledge, skills, and attitudes. The lack of quality and high inequality in society hinders the enhancement of development potential. The population structure has entered an aging society, resulting in labor shortages. The number of the working-age population has decreased since 2015, and the population structure will enter an aging society completely by the end of the 12th Development Plan. Natural resources and the environment are rapidly deteriorating, which is both an economic cost and a serious impact on people's quality of life. While public administration is inefficient, lack of transparency and widespread corruption problems are resulting in the development driving force not being fully achieved. Some sectors of



society are therefore left behind amid a variety of challenges that are key obstacles to the long-term development of the country. It is widely recognized that in all sectors to develop Thailand to become a developed country with stability, prosperity, and long-term sustainability, the country must accelerate the development of strategic fundamentals in all aspects, namely: Increasing investment in research and development, increasing wages to incentivize efficient workers, developing science technology and innovation to develop labor force. This must be done in parallel with accelerating the upgrading of skilled labor groups that are entering the labor market and those currently in the labor market following the production and service sectors, targets, and technological changes. Including the development of people as a whole to be a complete person of all ages who can manage changes in the lifestyle environment well. In particular, the development of human capital by upgrading the quality of education, learning, skills development, and improving the quality of public health services in all areas and must promote the role of social institutions in fostering good people, discipline, good values, and social responsibility. (Buayaemsaeng, C. 2012).

From the foregoing, the author concludes that the global situation is changing rapidly, economic competition will become more intense. Technology will play an important role in daily life, making the development of various economies rapidly. As for Thailand, there is still a lack of development quality because of its strategic constraints. Thailand has to develop workers to have quality work to increase their ability to compete against the current situation, but Thailand still lacks quality workers as mentioned above. This is because the government's management is still inefficient, causing the development to be delayed. And Thai society is about to enter a society of aging people, causing the country's labor force to decline, resulting in the need to develop the workforce that is there for maximum efficiency, whether by increasing investment, increasing wages, making the work that comes out to be effective so that This will allow Thailand to keep pace with the rapidly changing world situation.

Problems with the current minimum wage system in Thailand

Thailand's implementation of the minimum wage system reflects three fundamental problems that have resulted in the majority of the country's population still living in poverty: (Buayaemsaeng, C. 2012) (1) The problem of income distribution inequality since most of the people are in the agricultural sector. Farmers' income depends mainly on the price of agricultural products. The minimum wage rate will not cover farmers. Including general labor in the agricultural sector, the high economic inequality indicates that the fundamentals of Thailand's economy are not yet strong. Low-income people still lack opportunities to increase their income. In times of economic inflation, the low-income earners suffer from the rising cost of living. (2) The enforcement of the minimum wage is not yet universally applied, especially for workers employed by many small and medium-sized enterprises (SMEs) who are paid below the minimum wage rate. These workers have low incomes and are unable to promote their economic status to the middle class to be a base of consumption and to produce their goods and services. This part of the workforce continues to fall into poverty. In the past 10 years, there are still more than 4 million unpaid workers. This indicates that the protection of workers is not yet comprehensive, workers



who are paid less than the cost of living are numerous and scattered in all provinces across the country. The except for Bangkok. The government's policy to increase the minimum wage to 300 baht the same in all provinces across the country, may cause more workers who do not receive the minimum wage, if still unable to enhance the enforcement of labor protection laws. (3) In the past, the expansion of the minimum wage did not keep up with the cost of living, historical facts show that wages received by workers grew more slowly than inflation. Looking at each region, it was found that only Bangkok had a minimum wage increase more than the cost of living.

The impact

1. The industrial problems: The Office of the National Economic and Social Development Board states that raising the minimum wage to 300 baht affects the industrial, agricultural, and service sectors. When considering the increase in wages, it was found that the most affected industries were the textile industry, the garment industry, the leather industry, the wood and wood products industry, which were mostly labor-intensive industries. It is mainly a manufacturing sector where employers will find foreign workers to work as substitutes. (Office of the National Economic and Social Development Board. 2018). A survey of the Bank of Thailand indicates that the increase in wages increases the cost of entrepreneurs, the operators have to bear more burdens such as overtime pay, social security contributions, and other benefits calculated from the wage base. On a per-industry basis, it was found that the most affected industries were labor-intensive, that is, reliant on a high percentage of the minimum wage workers and low net profit margins. This corresponds to the information of the NESDB, but the order of the affected branches is slightly different from the NESDB, namely the trade sector. The rubber and plastic products, construction and apparel production, In addition, the Bank of Thailand estimates that the minimum wage increase will increase production costs, which will continue to affect the price of goods and will result in gross domestic product Real GDP is lower than normal and inflation is rising. The industries most affected are plastic products, textiles, and iron and steel products respectively. Applying a single minimum wage nationwide will result in the industry being concentrated in large urban areas, especially in the metropolitan areas, because there is no incentive to distribute production to provinces more than 300 kilometers away. Because long distances lead to higher logistics costs, which in the long run will destroy the current wage structure that focuses on expanding the industry in remote provinces to distribute income and incentivize people to stay in the area. If there is an equal wage adjustment across the country, more workers will return to work in the central area, especially if the Central Wage Committee has agreed to adjust the minimum wage to 300 baht. Pilot only in Bangkok and Phuket, which will Accelerate more workers to work in the central area (Thailand Development Research Institute. 2014).

Finding a way to outsource some work, if you hire others to do it instead and have a more economical cost, you should decide to outsource such as hiring a cleaning company, security staff. Document delivery service, etc. Many businesses regret a little money, so they embrace all the work to do it all by themselves. Therefore, there are shockingly higher hidden costs that cannot be missed, such as the cost of executives' time, rework due to errors, slow work because of the large amount of work that prevents production or delivery of products to customers in time, etc.



2. The economic problems: The impact on the economy as a whole showed that the minimum wage hike was a high and immediate hike, which had never happened in the history of the Thai economy even during the 1990-1997 bubble. It's up about 40 percent over three years and is an increase during higher inflation than today. Therefore, the Real Minimum Wage after this wage increase has increased very quickly. The impact of the minimum wage increase is expected to result in the following: Economic activity slows more than the increase in domestic demand (Domestic Demand), Vulnerable sectors have to push the burden by raising prices, increasing inflationary pressures, reducing labor inequality. But be careful about unskilled workers, especially in remote areas. The long-term effect of the Big Push theory is not a guarantee of success because the minimum wage has little effect on increasing the size of the Thai internal market. Exports continue to be a growth driver. Engine) must have a supplementary policy. For example, Productivity, which, in addition to reducing the imbalance in the short term, has a positive effect on the long-term development path. Thailand's minimum wage will be higher than ASEAN countries, which should result in more foreign workers coming into Thailand at least over the next five years. until those countries have economic growth similar to Thailand. This will help mitigate the effect on economic growth and inflation in Thailand to some extent, depending on the enforcement of Thai foreign labor laws with skilled labor under the AEC. This is because the minimum wage does not affect the group of workers who are paid higher, in other words, more skilled, but will have a significant effect on the movement of capital from manufacturing bases (Thailand Development Research Institute, 2014).

3. The labor market problems: The impact of the minimum wage policy on the wage structure, employment, participation in the labor force, and labor mobility between manufacturing sectors. This includes the movement of labor between formal and informal manufacturing sectors, studying only workers with higher education or lower level. As the group most likely to be affected, understanding the nature of labor movements between the formal and informal sectors is of great policy importance. Especially Thailand, which has a large informal sector and is the source of employment for more than half of the total workforce. The study of employment in the informal economy requires that it covers unpaid work in the household business. Self-employed businesses with less than 10 employees and paid workers in private enterprises found that the minimum wage hike would reduce the wage disparity in non-farm payrolls (working for 35 hours or more). per week or more) enough. But the magnitude of the impact on higher-paid groups will be reduced. Therefore, we can see that the minimum wage hike is beneficial to workers, especially those with low incomes and low bargaining power. However, most of the positive effects fall on the informal sector, so this study also covers the impact on employment and the proportion of workers who leave the informal sector. Based on an analysis of the effect of minimum wage increases on the proportion of employment and the proportion of participants in the workforce, this study found no statistically significant effect for overall low-skilled workers aged between 15-65 years. But when considering the movement of labor between the manufacturing sectors, it was found that the proportion of employment in the enterprise SMEs, especially in the industrial sector, has experienced a significant and significant decline. The vast majority of these workers are displaced in the informal sector, especially in the agricultural sector, where most of them have latent



unemployment, young workers aged 15-24, which is a group with less work experience will be most affected by the adjustment of SMEs and large enterprises. The study also found that the proportion of employment and participation in this group's labor force would drop significantly if the real minimum wage was increased. But since the young workforce has a relatively small percentage of the low-skilled workforce, it does not affect the proportion of employment and participation in the workforce as a whole (Thailand Development Research Institute, 2014).

Countermeasures

The industrial problems : (1) Other Cost Reductions: If you look closely, you will find that the direct impact on entrepreneurs is increased "costs". Therefore, if wages are not the only cost, there may be other costs that might be able to find a way to reduce some such as unsold goods, production damage, transportation that lacks a good plan, etc. If those costs can be reduced even though labor costs are rising, it is hoped that the overall cost could be stabilized or reduced somewhat. (2) Increasing the selling price: This method can be difficult to do because it takes into account a combination of factors such as market competition, competitor prices, as well as government regulations and requirements. But price hikes are one way to consider especially if our brand is strong. Consumers may also be sensitive to the slight price increase. (3) Welfare cuts: Some organizations offer benefits other than salary or wages such as lunch allowances, uniforms, or other bonuses. It may be considered to see if any reductions can be made or not, but this reduction must be done with caution and careful due to the risk of labor problems. (4) Outsource: Some work, if outsourced to others and have a more economical cost, should be decided to outsource, such as hiring a cleaning company, security guards, courier services, etc. Many businesses regret a little money, so they embrace all the work to do it all by themselves. Therefore, there are shockingly higher hidden costs that cannot be missed, such as the cost of executives' time, rework due to errors, slow work because of the large amount of work that prevents production or delivery of products to customers in time, etc.

The economic problems: (1) Improve work efficiency: This can be done by increasing the skills and knowledge that employees can work in more variety (Multi-Skills) and can work interchangeably. One method that many organizations have used is to not accept substitutes for resigned personnel, which implicitly increases the efficiency of the work of employees. For example, the former job used to be used by 4 people, but one employee left. Do not hire people to replace the original person. But using methods to develop skills and knowledge of the remaining people and to work at the same place requires up to 4 people to do by employers may take some of the money that had hired the 4th employee to pay for overtime for both employees, 3 people, instead, etc. (2) Increase work efficiency: Sometimes we may have to compare with the same type of business that the productivity per number of his employees and us are different, for example, if our company has a profit of 6 million baht per year with 20 employees. While competitors have 40 employees (1 times more), their profits are 30 million (5 times more). So, it means that our employees have lower profitability than competitors, if this is the case, we have to come back and find out what it is about, is it possible that we have too many people or is it because of the process? Doing certain tasks wastes time instead of doing something more productive, for example. (3)



Invest in new technologies: This may sound like more investment, but in the long run, it may provide greater savings. For example, a machine that has been used for a long time, although still in good working condition, may not be as productive as today's technology. By adopting modern equipment, higher productivity will lead to lower unit costs and also reduce the number of manpower required.

The **Labor market issues:** (1) Follow up government assistance measures: After the minimum wage has been adjusted, the government has periodically issued various policies to help entrepreneurs, such as exempting taxes on the sale of old machines, bringing in the cost of buying new machines. Come to deduct 100% of depreciation within the first year or a policy for juristic persons with registered capital of not more than 5 million baht and annual sales of not more than 30 million baht. The difference between the old wages and the new wages can be deducted up to 1.5 times, for example. These measures are necessary for us as workers to closely monitor, understand and take full advantage of. (2) Adjust the method of payment of wages: For example, from the former daily wages have been replaced by piece payments change status from "Employer and Employee" to "Employer and Contractor" instead. In this case, the employer must communicate well with the employee to avoid problems that may arise because being paid on a piece-by-piece basis means that each employee has different opportunities to receive wages. It depends on the amount of productivity each person can achieve. (3) Relocation of production bases: If necessary, relocation of production bases to other countries on the border of our neighboring countries such as Burma, Cambodia, or Laos is an option that should be considered. As in the next few years with the ASEAN Free Trade Agreement (AEC) opening, international transport should be easier to start with, it might be a good opportunity.

Conclusion

The trend of dealing with the minimum wage of entrepreneurs in the future can be seen that in the past few years, there has been a large increase in wages, causing a large influx of workers to Thailand to work in the country, which As a result, employers have to deal with a large number of workers and may cause the Thai market to have a labor crisis oversupply. Whatever the problem, the water impact on the economy slows down the economy and can lead to the loss of the Thai population working in the labor force. Because of marriage, many foreigners have come to work in Thailand. May cause more disparity between Thai workers and foreigners, more inflation pressure. The impact on the industry found that the industry was most affected because most of the companies were industrial, labor-intensive, causing entrepreneurs to pay money to increase the wages of workers working for their companies, causing some companies to have to lay off workers. Impact on the labor market This impact affects the majority of workers who work with companies because companies are unable to employ large numbers of workers, resulting in a large number of unemployed workers because of companies that are insolvent or unable to adjust. in line with the rising minimum wage continuously. For entrepreneurs, it is severely affected because, in addition to the wages paid to the existing labor force, it must also be considered that the increase in labor is the amount that already exists must also be thought of as the additional wages pay more to the existing workforce. The operator's response can be divided into several ways, such as reducing the



cost of other products to increase the capital of the company's main strength products or increasing the selling price. But this factor must be considered a lot because there are many competitors, so the price hike is one way to consider heavily or change the way of paying wages, as used to pay daily wages to pay in individual cases. replacement piece.

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