

**STRATEGY OF THE ECONOMIC DEVELOPMENT BETWEEN
SOUTH KOREA AND THAILAND DURING 1960s – 1980s**

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A Thesis Submitted in Partial Fulfillment of the Requirements
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ในช่วงทศวรรษ 1960-1980



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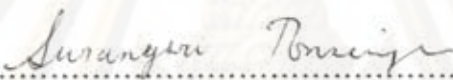
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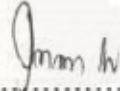
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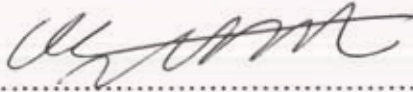
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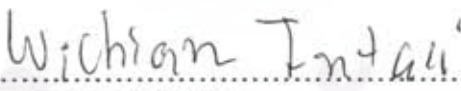

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This research is a comparative study about the economic growth in South Korea and Thailand. Since in the past, most economists would explain the causes of Thailand's lack of progress behind Korea in economic policy differences. Thus, this research intends to compare the organizations which profoundly influence the implementation and context of economic policy of the two countries, in how the two countries develop differences in economic policy among the same circumstance of economic crisis and the world situation. This research also seeks to identify the shared points and differences in authority, roles, duties and structures and factors that contribute or obstruct to the structure, authority, roles and administration of the economic development planning organization in each country. And nobody had done research on issues before.

Considering from external factors of both countries, there are much resemblance in many ways, such as, support from the U.S anti-communist aid, financial aid from Japan, etc. These external factors can be of great support to the government but internal factors that should contribute to the performance of NESDB and EPB showed significant difference between the two countries. The high stability of Korean government during 1960's – 1980's results in accordance with national economic plan and other economic policies, which was different from the situation in Thailand which lacked political stability, resulting in failure in aligning strategic policy implementation to the world economy demands. This disabled Thailand from developing an industrial revolution that suits the situation at the time. The implementation of economic plan in the initial stage results in long term effect of economic development and the GNP growth of both countries, which showed a significant difference between each other.

The 6 factors which will be broken into points below influence a lot on Korea's EPB to perform more efficiently than Thailand's NESDB. 1) The law is the controller of the whole structure, roles and duties of the organization. The contrast between the Korean organization and Thai organization can be obviously seen from only the office act. 2) the personnel in EPB received sufficient academic and personnel resources support, retaining more experts in each field within the organization than NESDB. 3) Internal and external environment, EPB has academic support; KDI could utilize its resources to find advanced solutions to the problems. But in case of NESDB, with the existing lack of personnel, the existing human resources were divided into finding solution in this short period preparation. 4) Supportive and obstructive to the performance of EPB more than NESDB. 5) If the government is constructed with stability, the policy setting and development planning process would be continuously in line with each other. 6) Culture of South Korea contributing to economic development better than Thailand.

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กมล บุณบรรณ : เปรียบเทียบกลยุทธ์การพัฒนาเศรษฐกิจระหว่างเกาหลีใต้กับไทย ในช่วงทศวรรษ 1960-1980 (STRATEGY OF THE ECONOMIC DEVELOPMENT BETWEEN SOUTH KOREA AND THAILAND DURING 1960s-1980s) อ. ที่ปริกษาวิทยานิพนธ์: รศ.ดร. พุทธภาส วัชร, 152 หน้า.

การศึกษาเชิงเปรียบเทียบเกี่ยวกับการเจริญเติบโตทางเศรษฐกิจในประเทศเกาหลีใต้และประเทศไทย เนื่องจากนักเศรษฐศาสตร์ได้อธิบายสาเหตุที่ตั้งแต่อดีตจนถึงปัจจุบันประเทศไทยไม่สามารถพัฒนาเศรษฐกิจได้ทัดเทียมประเทศเกาหลีใต้ ในแง่ของความแตกต่างด้านนโยบายเศรษฐกิจที่ผ่านมา ดังนั้นวิจัยฉบับนี้จึงมุ่งเปรียบเทียบองค์กรที่เป็นแหล่งกำเนิดนโยบายทางเศรษฐกิจของทั้งสองประเทศในเชิงลึก ว่าเหตุใดในขณะที่สภาวะเศรษฐกิจและสถานการณ์โลกเดียวกันแต่ผลของการพัฒนาเศรษฐกิจของทั้งสองประเทศมีความแตกต่างกัน และมุ่งเสาะหาว่าโครงสร้าง อำนาจหน้าที่ บทบาทและการบริหารงานขององค์กรวางแผนพัฒนาเศรษฐกิจของทั้งสองประเทศว่ามีปัจจัยใดเป็นอุปสรรคหรือเกื้อหนุนต่อโครงสร้าง อำนาจหน้าที่ บทบาท และการบริหารงานขององค์กรวางแผนพัฒนาเศรษฐกิจในแต่ละประเทศ และที่สำคัญในประเด็นดังกล่าวยังไม่มียุทธศาสตร์ได้ทำมาก่อน

หากพิจารณาจากปัจจัยภายนอกของไทยและเกาหลีใต้แล้วเหมือนกันมากทั้งการสนับสนุนการเสถียรภาพของรัฐบาลในการต่อต้านภัยคอมมิวนิสต์จากสหรัฐอเมริกา แหล่งสนับสนุนเงินทุนที่เชื่อมโยงจากญี่ปุ่น ปัจจัยเหล่านี้เป็นผลดีต่อการดำเนินงานของรัฐบาล แต่มีปัจจัยภายในเป็นอุปสรรคหรือปัจจัยเกื้อหนุนที่ส่งผลกระทบต่อการทำงาน ซึ่งทำให้องค์กรวางแผนพัฒนาเศรษฐกิจของไทยและองค์กรวางแผนพัฒนาเศรษฐกิจของเกาหลีใต้มีประสิทธิภาพการดำเนินงานที่แตกต่างกันคือ ความมีเสถียรภาพเป็นอย่างดีของรัฐบาลของเกาหลีในช่วงทศวรรษ 1960s-1980s ส่งผลดีต่อประสิทธิภาพของการทำงานขององค์กรวางแผนพัฒนาเศรษฐกิจคือ มีการดำเนินงานวางแผนเศรษฐกิจแห่งชาติ และนโยบายเศรษฐกิจอื่นๆ ได้สอดคล้องกับนโยบายของรัฐบาล ซึ่งต่างจากไทยที่รัฐบาลไม่มีเสถียรภาพทำให้การดำเนินนโยบายกลุ่ของการพัฒนาเศรษฐกิจตามแผนพัฒนาเศรษฐกิจไม่สามารถปรับนโยบายให้สอดคล้องกับความต้องการของเศรษฐกิจโลก ส่งผลให้ไทยไม่สามารถปฏิรูปอุตสาหกรรมได้เหมาะสมกับช่วงเวลาที่ความต้องการของอุตสาหกรรมโลก และการดำเนินแผนพัฒนาเศรษฐกิจในระดับที่ส่งผลกระทบต่อในระยะยาว และส่งผลกระทบต่อเติบโตของรายได้ประชาชนของทั้งสองประเทศมีความแตกต่างกัน

โดยมีหกปัจจัยดังต่อไปนี้ที่มีอิทธิพลอย่างมาก ทำให้องค์กรวางแผนพัฒนาเศรษฐกิจของเกาหลีใต้สามารถดำเนินงานได้มีประสิทธิภาพได้ดีกว่าองค์กรวางแผนพัฒนาเศรษฐกิจของไทย คือ 1) ความเป็นเอกภาพ วัฒนธรรมบุญของเกาหลีใต้กำหนดให้องค์กรวางแผนเศรษฐกิจมีบทบาท และหน้าที่ในการวางแผนพัฒนาเศรษฐกิจสูงแต่ของประเทศไทยเพื่อพระราชบัญญัติเป็นตัวกำหนด 2) บุคลากรขององค์กรวางแผนพัฒนาเศรษฐกิจของเกาหลีใต้ได้รับความสนับสนุนบุคลากรทางวิชาการจากรัฐบาลเป็นอย่างดีทำให้มีผู้เชี่ยวชาญในแต่ละสาขามากกว่าองค์กรวางแผนพัฒนาเศรษฐกิจของไทย 3) ปัญหาทั้งหมดที่เกิดจากสภาพแวดล้อมภายนอกและภายในส่งผลให้เกิดอุปสรรคต่อการดำเนินงานขององค์กรวางแผนพัฒนาเศรษฐกิจของทั้งเกาหลีใต้และไทยทำให้ต้องแบ่งปันบุคลากรที่มีอยู่แก้ปัญหา 4) การสนับสนุนและช่วยเหลือที่ดีโดยรัฐบาลจะเป็นปัจจัยการเกื้อหนุนต่อการดำเนินงานขององค์กรวางแผนพัฒนาเศรษฐกิจของทั้งสองประเทศ 5) ยิ่งรัฐบาลมีเสถียรภาพสูงองค์กรวางแผนพัฒนาเศรษฐกิจจะสามารถวางแผนนโยบายและการวางแผนพัฒนาเศรษฐกิจได้สอดคล้องกับนโยบายของรัฐบาลอย่างต่อเนื่อง 6) วัฒนธรรมของประเทศเกาหลีใต้เอื้อต่อการพัฒนาเศรษฐกิจมากกว่าวัฒนธรรมไทย

สาขาวิชา.....เกาหลีศึกษา.....

ปีการศึกษา 2552

ลายมือชื่อนิสิต.....

ลายมือชื่อที่ปริกษาวิทยานิพนธ์หลัก.....

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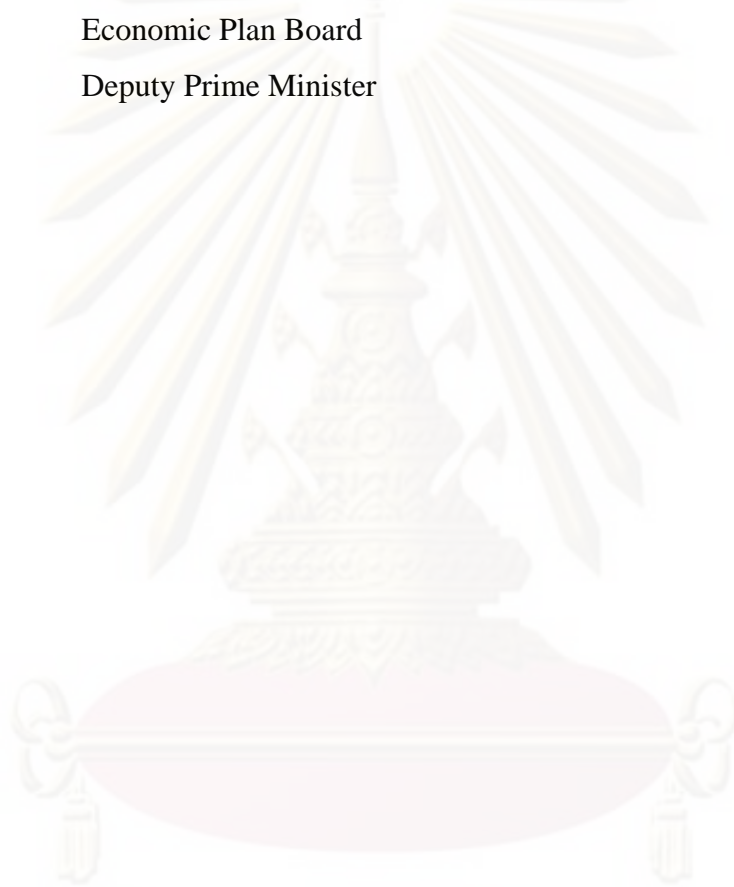
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NOTE

NEDB:	National Economic Development Board
NEDC:	National Economic Development Committee
NESDC:	National Economic and Social Development Committee
NESDB:	National Economic and Social Development Board
EPB:	Economic Plan Board
DPM:	Deputy Prime Minister



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CHAPTER I

INTRODUCTION

1. Research Background

Despite the fact that South Korea has gone much further than Thailand in the facet of economic development, looking back to the era before 1950, Thailand's GNP was much higher than Korea's due to ongoing unrest within the country at the time. Nevertheless, in 1968, Korea's GNP grew to be higher than Thailand's and kept growing afterwards. Until 1976, Korean's GNP has doubled the number of Thailand and tripled the number in 1987, which can be considered as a highly rapid change of Korea. This brought about a change in the country's infrastructure from an agro economy to industrial economy in spite of its scarce natural resources.

Since the Bowring treaty was signed in 1855, Thai economy had been brought into the world capitalistic system. The superpower in the capitalistic system has increased their roles and influences to Thailand's policy setting.¹ Between 1960 and 1980, the effect from the Cold War caused the world to be divided into two axes. Thailand and Korea needed to adapt economic and political situations to align with the world capitalistic and socialist trends of the world.

The two decades between 1960-1980 of both Korea and Thailand are considered to be ruled by military regime despite the democratic practice of selecting leaders from election. Such contrast in ideology and practice forced the leaders of the two countries to bring about as much progress and prosperity for the nation to the people and create political righteousness and stability to be recognized by the public as a whole. Within this period, South Korea elected only 3 leaders; Rhee Syng-Man(1951-1959), General Park Chung Hee(1961-1979), General Chun Doo-Hwan (1980-1987). Thailand had 9 leaders accessing be the leader, Field Marshal Sarit Thanarat(1959-1963), Field Marshal Thanom Kittikachorn(1963-1973), Sanya

¹Rangsun Tanaphonphun, Economic policy process in Thailand: Analysis-oriented political economic history 1932- 1987(Bangkok: Masterpress, 1989), pp. 8-9.

Thammasak(1973-1975), M.R. Seni Pramoj(1975-1975), M.R. Kukrit Pramoj(1975-1976), Thanin Kraivichien(1976-1977), General Kriangsak Chomanan(1977-1980), General Prem Tinsulanond(1980-1988), General Chatichai Choonhavan(1988-1991), and Cabinet also has changed 18 times. The government policies at the time can be evidently seen to be aligned with the United States proclaiming to be against the communist nations. From the decade of 1960, the start of the structural change, the leaders of both countries gained their power through military coup d'état and gained recognition from upgrading the country's economic situation.

During the two decades, there occurred a political condition between the two countries, which are the expansion of communism with military power and economic development in liberalism are main conditions that pulled the United States government enrolled into the East Asia and South East Asian, which included both South Korea and Thailand. Prime Minister Sarit and his cabinet had supported from the United States side, in other words, increasing the military role in opposing to the communist power, the main strategic policies to improve and solve the poverty countries by the national Plan under the guideline by World Bank were adopted in both countries.

Prime Minister Sarit Thanarat conducted military coup on October 20, 1958 and created complete changes in the economic development of Thailand.²

Change in policies from nationalism to liberalism stressing the support in investment on private sectors both domestically and internationally.

Change in planning strategies, that is, initiating the first economic development plan in Thailand with Economic Liberalization apparently seen and existed on until the third economic and social development plan.

The institutional changes, the institutionalization of significant agencies that direct and oversee the national plans which is the national economic development council and later became the National Economic and Social Development Board (NESDB). The founding of the Board of Investment or BOI also creates in incentive for the investors from private sector as well as the foreign investment as the main

² Ninnart Sinchai, "The United States and change in Thai Economic development policy during Sarit's Regime: a study of its impact on the structure of relationships among the state, local capital, and foreign capital,"(Master dissertation, Graduate School, Chulalongkorn University, 2002)

mechanics of liberalized economic development in Thai social and economic changes.

Therefore, the changes in economic administration philosophy of the country, the economic development plan and liberalization of the economic institute would be the under collaborative cooperation between the leader in the Thai government and since then has proceeded its role for decades with closed relation to the United States government and the World Bank. At the time, it was the financial institute that played the most important role among the two countries. For Thailand, the International Bank for Reconstruction and Development (World Bank) not only offered aids loans to the country, but also participated in process of making the development plan for the country before and after the economic development.

But after his death in 1963, Prime Minister Sarit Thanarat's government was a short period but enrooted the economic strength in Thailand, as can be obviously seen in the first economic and social development plan that acts as the model for further plans and can be considered as a shared good points with South Korean economic development plan. At the time, almost all of the policies were adopted from Park, Chung-Hee's era.

1.1 Planning Organizations in South Korea

With the advice from the U.N, South Korea started to take serious action in developing an economic development plan. But the idea was obstructed due to the consultant advice from the U.N that South Korea should develop its economy upon "self sufficient ideology" by improving the efficiency in the agricultural, mining and fishery. South Korean government had to follow its decision by focusing on overhead capital and public infrastructure to load the policy on economic growth.

Later on in later 1961, under the regime of President General Park, Chung-Hee, the government signified the serious development of the country, resulting in the first draft of five-year economic development plan in 1962 with two important principles.³

³ Pisish Kuntatip, "Legal dimension of national economic and social development plan," (Master dissertation, Department of Laws, Graduate School, Chulalongkorn University, 1994), p. 222.

1.1.1 Basic principle of economic idealism in liberalism and individualism. Nonetheless, the South Korean republic needs to develop for industrialization. In spite of this practice, South Korea will abide by the guided capitalism in practice.

1.1.2 The target in the final stage of South Korean economic system is the industrialization. The accumulation of capital be ought to increased, therefore, the government needed to strive further to increase the savings within the country and induce more capital inflow into the country.

After the end of the first 5-year plan, further development plans had been developed. South Korea had been success hopefully and become one of the NICs countries at the end of 1980's. The success of the economic plan depended on the high command by the government that signified and trusted in the guidelines given, motivating the people and private sectors to have faith in its determination and cooperate with the government with full consent.

1.2 National Development Planning Organizations in Thailand

After the coup in 1958, the government under the regime of Prime Minister Field Marshal Sarit Thanarat planned to conduct an authority reform and develop the economy into capitalism guideline to go in line with the consultant from the United States and the World Bank.⁴ In order to make economic development align with the adopted policies, the government enacted the National Economic Development Council act in 1959 to support the institutionalization of National Economic Development Board, or so called NEDB as a center for national economic development plan according to the proposal of the economic situation adjunct of the World Bank. The National Economic Development Board collaborated with all ministries, associations department and agencies in setting up the first national economic development plan(1961-1966) on January 1, 1961.

⁴ Taneerat siripachana, "Economic development policy and planning process in Thailand,"(Master dissertation, Department of Political Science, Graduate School, Chulalongkorn University, 1991), pp. 121-154.

1.2.1 The Following Paragraph will Elaborate on Problems Caused by the Setting Up of National Economic and Social Development Plan 1-4⁵

1.2.1.1 Gaps of the Urban and Rural Area

Under the umbrella development strategy that supports the shared economic growth, which originates the imbalanced growth brings about the gaps between the urban and rural areas. Such case as the arisen gap between the Bangkok metropolitan and other municipalities since 1960 until now has resulted in centralizing Bangkok as the hub for political economic power. And administrative powers are all centralized within Bangkok.

1.2.1.2 Inequable of Distribution of Income

Even Thai economic growth is measured to be high as a whole with the statistics of growth by 7.3, 7.2, 6.2, 8.2 and 5.3 percent per annum continuous in the first-fifth development plan, there appears the overlapping of income of household level throughout the rural and urban society to the worrying limit. The first 20 percent of the household group with the highest income level or the richest people has the ratio of income per annum of the people all over the country increase by 49.3 percent in 1975/1976, 54.9 percent in 1987/1988. In spite of that, the first 20 percent of the poorest people had a decreasing income from 6.1 percent to 4.5 percent within the same period of time. The poorest group of people, ranked still remains the agricultural sector, whose income is half the average income of the whole country.

Moreover, the economic growth overlap between the metropolitan and other regions still grew further especially between Bangkok and its vicinities, where the economic infrastructure and growth that grew faster than any other regions, in other words, the gross provincial product of Bangkok reached the record high of 42 percent of other gross domestic production statistics of the country in 1981.

1.2.1.3 The deficit in balance of trade and high foreign dependency ratio.

⁵ Office of the National Economic and Social Development Board, Summarized and the development of National Economic Development Plans No. 1-6, (Bangkok: 1996), pp. 1-10.

Due to Thailand's open economy policy and the international economic order, with at least 2 important elements, one is the international reserves order of the International Monetary fund or IMF and the other is the General Agreement on Tariff and Trade or GATT.

Outcome of extremely devoting itself into the World capitalism makes Thai economy develop by the Dependency theory, depending itself on the foreign countries in economy, trade, investment, technology including miscellaneous aids and loans, resulting in being dominated by multi-national companies from the central capitalistic countries. Regarding the dependence in trade, the ratio between the gross overseas product and the gross domestic product had risen gradually since the first development plan in 1961. The trade deficit in Thailand's worth is calculated at only 290 million baht or 0.5 percent of the gross domestic product of the country. But at the end of 1981, the end of fourth development plan Thailand faced the deficit of 67,000 million baht or 8.2 percent of the gross domestic product of the nation. This ongoing deficit weakened the international reserves as IMF reported that within the year 1961, the reserves remaining for Thailand is 86.3 percent the imports that year. But in 1981, it slumped to 16.7 of the total import.

For high dependence in technology, the development in each sector of Thailand need to rely on imported technologies especially in the industrial sector and depend on several countries.

1.2.1.4 The Deterioration of Natural Resources and Environment

The immediate growth in economy that Thailand had faced in the earlier years had been so high that the exploitation of natural resources especially land, forest, fishery, watery and mineral resources were highly destroyed. Moreover, the deficiency in natural resources management led to the deterioration of natural resources.

Moreover, the expansion of economic activities especially production and service industries together with the expansion of population number in urban areas led to pollution creating in many sources, wasted water, noise, rubbish, and contaminated chemicals which brought about the

deterioration of natural resources and environmental problems. The above mentioned problems all affect the quality of life for all that will later be the limitation of economic development in the future to come.

1.2.1.5 The Abrupt Change in Thai Society from traditional to modernization.

The change in economic structure from agricultural to industrial country caused Thai society to change from a traditional agricultural society to a more urbanized, causing the Thai life style and ways of life to change into a more modern path, which may affect the mentality, culture and ways of life of the people. Such change can lead to urban life problems like criminal problems, slums with crowded community problems.

1.3 Considering the Above Problems Raises the Following Questions for Further Criticism

1.3.1 The planning philosophy of Thailand's economy and society of Thailand in the development plans. In each plan, Western philosophies and concepts were derived, blended with the development of economy from the neo-classical development theory to criticize and find solution to the development. In the development plan 1-4, the traditional economic development theory that existed in the mid 1940s–the late 1960s were applied. The theories, mostly emphasized on industrial sector investment, created the unbalanced growth with the dependence on foreign funds in the initial stage of South Korean first economic plan, relied on the same philosophy as Thailand and strived to upgrade the per capita income of the under developed countries to get out of the vicious circle with the faith in the interdependent relationship between the under developed and developed countries, that finally the economic gap between the third world countries will be reduced. At the same time, the gap between the poor and the well-being will be decreased. Then, the dependence on international aid would decrease and become unnecessary when the country has developed to be self-sustained.

The master plan of the economic and social development plan in implementing the state economic policies is criticized by many sides as being

indicated and directed by the civil servants authorities continuously.⁶ The NEDB would only collaborate with ministries, offices, state enterprises that possess the authority to set the policy and measures to be included in the plan. Moreover, critics say that the public sector has mere participation in initiating the policies and planning economic and social development plan, which in fact, is really a crucial factor to brainstorm the opinions of people from all classes.

1.3.2 The economic and social planning process of Thai society in the past had been criticized from many side of lacking the political dimension especially the initiation of the first economic development plan under the regime of Prime Minister field marshall Sarit Thanarat, when the country had been dictated almost 11 years(1958–1968).⁷ The economic development plan setting up process was arranged by the government sector. The proposal plan, the plan was proposed to the cabinet who held the administrative authority to be approved. After the approval of the plan was suddenly enacted without the monitor from the parliament who held the legislative authority, which is considered lack of righteousness according to the democratic practice.

This research is a comparative study about the economic growth in South Korea and Thailand. Since in the past, most economists would explain the causes of Thailand's lack of progress behind South Korea in economic policy differences. Thus, this research intends to compare the organizations which profoundly influence the implementation and context of economic policy of the two countries, in how the two countries develop differences in economic policy among the same circumstance of economic crisis and the world situation. This research also seeks to identify the shared points and differences in authority, roles, duties and structures and factors that contribute or obstruct to the structure, authority, roles and administration of the economic development planning organization in each country.

⁶ Chaianun Samutvanit, Board Secretary for Economic, Research report on the project management for economic and social development(Bangkok: The Pinklao Print Co, 2532), p. 8.

⁷ Ibid., p. 8.

2. Research Problem

The reason why writing this research, that is because Thailand and South Korea have Development Economy Plans during the 1960s-1980s. But at that period, just in South Korea has a high progress on economic development. And nobody had done research on issues before.

Given that South Korean's Economic Planning Board(EPB) performed much more effectively than National Economic and Social Development Board(NESDB) of Thailand in the 1960s-1980s, what is the pattern of operation, was used for the operation of the organization.

3. Hypothesis

3.1 During 1960s–1980s, the authority and policy making of South Korea Economic Planning Board were highly supported by government more than National Economic and Social Development Board of Thailand.

3.2 During 1960s–1980s, The strategy of industrial development plan in South Korean focused on exported promotion but Thailand still in import substitution, this effect of deference policies make the difference economic development..

4. Research Objective

4.1 To compare the operation of Thailand's NESDB with South Korea's EPB within the period of 1960s-1980s.

4.2 To compare the supportive and obstructive factors, contributing to the implementation of NESDB and EPB within the timeline of 1960s -1980s.

5. Scope and Limitation

This research intends to conduct a comparative analysis of economic development strategies of the two countries, Thailand and South Korea. By

“Economic Development Strategy”, the term is used to refer to government strategies that affect the economic development within the set framework of national economic development plan. With such a wide range of organizations that engage important roles in drafting the economic development plan, this research scopes down the parameter of study to compare supportive and obstructive factors of Thailand’s NESDB and South Korea’s EPB, only within the period of 1960-1980. The internal factors will be analyzed based on leadership style, public opinion, and domestic mass media, internal political affairs and economic situation of both countries. The other factor would be called external factors, influencing government’s implementation of economic policy towards the country’s progress within the period, such as, political condition and the global economic circumstance at the time.

This study intends to indicate significant problems within the administration of NESDB and EPB during 1960s-1980s, together with applicable solutions and suggestion. This study is limited within the study of roles, working process and procedures and the resource management of the organizations. The study will also include legal issues of roles and duties conducted in real situation, focusing on decision-making analysis with cases, raised to study NESDB and EPB between 1960s-1980s about the causes that stimulates the similarity and difference of the economic development plans of the two countries.

6. Research Methodology

This thesis studies events and materials that have happened in the past. Therefore, the approach used in this study is historical approach. Most data used is descriptive secondary academic data, conveyed through analysis approach.

The data organization of this thesis will emphasize on explanatory research and tries to explain the relativity of factors with foreign affairs policies within the studied period in cause-effect approach. At the same time, the analysis is conducted, using the “Linkage theory or linkage politics” analysis pattern. The approaches will finally explain and analyze internal and external factors that affect the economic policies and strategies used in many situations and manners.

6.1 In this study, the following data collection instrumentation and analysis are used.

6.1.1 Document research; including preparation materials, technical documents, and other related material.

6.1.2 In-depth interviews related articles and researches.

6.1.3 Research official report, article, academic evidence and related researchers.

6.2 Approaches used in the analysis are listed as follow;

In comparison to factors internal and external factors of pilot Institution of the two countries required variables in the following analysis.

6.2.1 Systems Approach⁸

This approach tends to analyze the relativity and holistic interaction of all factors. The basic idea is based on the belief that each system consists of 4 components.

6.2.1.1 Components; each parameter needs to have interaction to each other.

6.2.1.2 Function; component in each system need to function differently but need to be integrated in interaction with other components.

6.2.1.3 Interaction; output of each function and each component would not be solely independent. Finally, the individual output will lead to interaction among other components.

6.2.1.4 Objective; the working process of all components will bring about the function and interaction among components and the balance of the system. It can be regarded as a way to maintain stability and survival of the system.

The social and political systems differ by components, functions and interaction they embrace. The change of component structure and interaction can indicate the change in economic, social and political structure. The structural study and component changes as mentioned will bring about understanding in attributes, condition and direction of change in economic strategies of both countries.

⁸ David Easton, Political System : an Inquiry into the State of Political Science(New York: Knops, 1971)

6.2.2 Functional-Structural Approach

Functional-Structural Approach can be regarded as a part of system approach, in that, is a projection which scopes the relativity of principal components in functioning within the framework of each system.

The political system interacts with economic social system in of Input–Output perspective. Politics can be regarded as one of the superstructure of the system. While economic and social structure is regarded as the infrastructure of the system. The superstructure comprises of political sector, in which, is the reflection of the authority of 3 sectors; administration, legal and juristic authorities. The superstructure also cover the bureaucracy sector while the infrastructure cover the people under the status of individualism, social faculty, beneficial faculty and political party, which exist in both superstructure, if there is a representative in parliament of in a part of the government and infrastructure, covering the members who do not exist as a part of the super structure.

The relationship between the superstructure and infrastructure interact to each other as input and output. The input part means the people and faculties remain in the infrastructure that interact with the superstructure in a supportive, demanding way, while the super structure responds to the infrastructure in policy setting, enacting laws, regulations, acts and others which we refer to as Output. The people and faculties within the infrastructure will respond to the output in either a supportive way or dissatisfied and demanding.

Good political system means the systemic infrastructure that is responsive to demands of the infrastructure. In times that the high demand are not responded within a proper time period, the demand will increase in frequency and intensify its violence onto a good level that leads to the demolition of super structure, which is, the eradication of old political system that leads to a new political structure which as the French revolution in 1789.⁹

Good political system should be enrooted in the balance between superstructure and infrastructure. Such balance, in other words, the super

⁹ Somchai pakapatvivat, Economic and political development of Thailand(Bangkok: Kobfai Publishing, 1999), pp. 4-5.

structure should be a reflection of the power of all faculties within the infrastructure. There should also be an apparatus that can issue and output which responds to all the demands of all faculties in the infrastructure. In times when lacks of balance or gaps occur between the superstructure and infrastructure up to a fine level, the imbalance will lead to violent changes in economic, social and political structure inevitably as can be seen in the history of the mankind.

6.2.3 Linkage Approach¹⁰

The guideline, used in analyzing inter-relativity among internal and external factors is based on the hypothesis that economic, social and political structures change due to the pressure from changes in components that exist in the factors of the infrastructure such as social and economic facets and the super structure which mean the political and bureaucratic systems. Effects from changes in all factors, whether trade, investment, finance or politics both domestic and international. The information technology study and other factors certainly affect the changes in economic social and political structure inevitably since the political and social systems are open system. The extent of how open it is depends on depends on each country. Effects from each factor that affect the open system occur from both domestic and international factors. Both factors interact with each other with linkages especially in the globalization era, external and internal factors will increase their relativity, making it harder to identify a complete difference between the internal and external factors than in the past.

Various factors, stated hereby, can be stated as one of the objective factors, which are factors that involves characteristics that do not exist as individual characteristics such as economy, finance, geography, population, politics, IT and other factors. The other is Subjective factors; the factors that exist in individual identity. Simply stating, the subjective factors can be people or faculties in the society, including those who participant in decision making or decision makers in political system. Changes in objective factors can lead to changes in subjective factors, which are attitude, value and culture. In this place, may refer to the social value which can be classified as social and political culture.

¹⁰ Ibid., pp. 5-6

It can be said that changes in internal and external variables due to the Linkage approach theory would be another way to describe the status and changes in economic social and political structure.

6.2.4 Decision-making Approach¹¹

This decision-making approach is a way to study ideas or philosophies behind powerful individuals who hold decision making authority. The attitude and ideas of this person are not made from self made senses but are the output of interactions among factors through “socialization” process which is a value creating process within the society.

Leaders or authorities in decision making do not exist solely but also interact within the social framework which is an open system. Such society can be referred to as “environment” which can be categorized as social, economic and political factors. The ideas and attitudes of the authorities come from the interaction within such environment.

The interaction between leaders or authorities in decision-making process with the environment can be categorized into 4 categories;

6.2.4.1 The relation, in which, the environment influences the leader’s ideas completely, so called Environmental Determinism is based on the hypothesis that changes in economic, social and political factors within the environment will direct the leader’s decision, whoever they are. In reality, it is hard to accept such theory since each human being embraces the psychological disposition which prevents the decision from being 100 percent resemblance in each individual.

6.2.4.2 Descriptive relation that environmental factors, economic, social and political factors would affect the options in all ways for the leaders or authorities in decision-making. The output practice would depend on personal experience and psychological disposition which brings about conclusion in consideration. Such concept is called “Environmental Possibilism”.

6.2.4.3 The relation within descriptive framework created from

¹¹ Almond & Verba, Civic Culture : Political Attitudes and Democracy in five nations
(Boston: Lipplel Brown, 1965)

Environmental Possibilism. The only difference is that it is a perspective that views leader's decision as a dynamic element. In other words, at a time in social tenses, environmental variables, regardless of social, economic and political factors would be an indicator of an option of the leader. Nevertheless, at a point of change, such variable may lead to changes in options or even no changes. The options would differ through time frames and changes in time.

6.2.4.4 The descriptive relation which can be explained that environmental factor, even is a part of influence put on decision-making that leaders may take into account. Within this conceptual framework, leaders could make decisions based on their own feeling, belief or ideology without considering the reality of social, economic and political condition at the time. This conceptual framework is called "Free-will Environmentalism". This framework may be hard to be put into practice. The leaders who are logical and powerful would get enough support from the people to push their ideology forward to making changes and structural reform on social and political structure.

In this research, the conceptual framework in analyzing the leader's decision-making approaches may base on Environmental Probabilism as the main point since it consists of sound logics that can be used in explaining Thai leaders' decision in each era.

6.2.5 Dynamic –Cultural Approach¹²

The dynamic-cultural approach is based on the hypothesis that value and social, political culture influence can explain the status and changes in social, economic and political system. Nevertheless, the value or culture are not static but dynamic, in other words, changes are output of socialization. Especially in globalization which affects the society to open up to influences of change from all factors both internally and externally within a limited expansion. The changes are usually accelerated in the information society. In this kind of society, such value can be an indicator of structure and apparatus of social, economic and political process. The high changes would induce dynamism of changes in economic, social and

¹² Ibid., pp. 9-10

political systems and a part that can explain development of economic, social and political structure of Thailand.

Guidelines used in explaining the research on “Strategy of the Economic Development between South Korea and Thailand during 1960s-1980s” would rely on the framework or guidelines in analytical approaches that combine the 5 mentioned analytical approaches. In the final process, SWOT instrumentation will be conducted and used as a tool to compare the planning organizations of South Korea and Thailand during 1960s to 1980s. Seeing that the given guidelines can help explain the facts and perspective, including analyze the causes in implementing strategies of economic development of both countries effectively.

6.2.6 SWOT Analysis(Strengths, Weaknesses, Opportunities, and Threats)

The Changing Conditions and Situation which affects the operation between NESDB and EPB(Using SWOT Analysis) during 1960s-1980s. SWOT Analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The technique is credited to Albert Humphrey, who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies.

A SWOT analysis must first start with defining a desired end state or objective. A SWOT analysis may be incorporated into the strategic planning model. Strategic Planning, including SWOT and SCAN analysis, has been the subject of much research.

Strengths: attributes of the person or company that are helpful to achieving the objective.

Weaknesses: attributes of the person or company that are harmful to achieving the objective. **Opportunities:** external conditions that are helpful to achieving the objective.

Opportunities: external conditions that are helpful to achieving the objective.

Threats: external conditions which could do damage to the objective.

Identification of SWOTs is essential because subsequent steps in the process of planning for achievement of the selected objective may be derived from the SWOTs.

First, the decision makers have to determine whether the objective is attainable, given the SWOTs. If the objective is not attainable a different objective must be selected and the process repeated

The SWOT analysis is often used in academia to highlight and identify strengths, weaknesses, opportunities and threats. It is particularly helpful in identifying areas for development.

The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. These come from within the company's unique value chain. SWOT analysis groups key pieces of information into two main categories:

Internal factors –The strengths and weaknesses internal to the organization.

External factors–The opportunities and threats presented by the external environment to the organization.

The internal factors may be viewed as strengths or weaknesses depending upon their impact on the organization's objectives. What may represent strengths with respect to one objective may be weaknesses for another objective. The factors may include all of the 4P's; as well as personnel, finance, manufacturing capabilities, and so on. The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. The results are often presented in the form of a matrix.

SWOT analysis is just one method of categorization and has its own weaknesses. For example, it may tend to persuade companies to compile lists rather than think about what is actually important in achieving objectives. It also presents the resulting lists uncritically and without clear prioritization so that, for example, weak opportunities may appear to balance strong threats.

It is prudent not to eliminate too quickly any candidate SWOT entry. The importance of individual SWOTs will be revealed by the value of the strategies it generates. A SWOT item that produces valuable strategies is important. A SWOT item that generates no strategies is not important.

7. Research Significance

7.1 This study defines the formulation of economic development planning organization of South Korea, the Economic Planning Board(EPB) and Thailand (NESP) during 1960-1980.

7.2 This study criticizes the factors that support and obstruct the organization that function as the economic development planning organization of South Korea (EPB) and Thailand(NESP) during 1960-1980.

7.3 This study clarifies the drafting process of the development plan during 1960-1980 and benefits the related agencies for their further application and practice.

8. Theoretical Framework

Chalmers Johnson has described the success of Japan that MITI is Pilot Institution of a good economic policy and economic development plans as a Developmental state theory. There is EPB in South Korea and NESDB in Thailand to specify the similar and differences.

Economic Development Strategy in South Korea is better than in Thailand because the pilot Institution is more effective to be a drafting institution of good economic policy and economic development plans. The differences depend on internal factors and external factors affecting to the draft policy and economic development plans. If it is not because of internal factors and external factors, it should depend on the structure, authority, duties and operations instead.

ศูนย์วิทยทรัพยากร

จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER II

LITERATURE REVIEW OVERVIEW ON COMPARISON STUDY ON DEVELOPMENT PLAN IN THAILAND AND SOUTH KOREA

This research is a comparative study about the economic growth in South Korea and Thailand. Since in the past, most economists would explain the causes of Thailand's lack of progress behind Korea in economic policy differences. Thus, this research intends to compare the organizations which profoundly influence the implementation and context of economic policy of the two countries, in how the two countries develop differences in economic policy among the same circumstance of economic crisis and the world situation. This research also seeks to identify the shared points and differences in authority, roles, duties and structures and factors that contribute or obstructs to the structure, authority, roles and administration of the economic development planning organization in each country.

Considering from external factors of both countries, there are much resemblance in many ways, such as, support from the U.S in anti-communist aid, financial aid from Japan, etc. These external factors can be of great support to the government but internal factors that should contribute to the performance of NESDB and EPB showed significant difference between the two countries. The high stability of Korean government during 1960's–1980's results in accordance of national economic plan and other economic policies, which was different from the situation in Thailand which lacked political stability, resulting in failure in aligning strategic policy implementation to the world economy demands. This disabled Thailand from developing an industrial revolution that suits the situation at the time. The implementation of economic plan in the initial stage results in long term effect of economic development and the GNP growth of both countries, which showed a significant difference between each other.

Table 1 Comparison income Gross national Product(GNP) between South Korea and Thailand 1952-1955(US\$)¹

Year	Korea	Thailand	Korean/Thailand	Year	Korea	Thailand	Korean/Thailand
1952	N.A.	80		1976	800	399	2.00
1953	67	88	0.76	1977	1,028	453	2.27
1954	70	76	0.92	1978	1,406	536	2.62
1955	65	82	0.79	1979	1,662	595	2.79
1956	66	87	0.76	1980	1,589	686	2.32
1957	74	85	0.87	1981	1,719	718	2.39
1958	80	84	0.95	1982	1,773	739	2.40
1959	81	86	0.94	1983	1,914	799	2.39
1960	80	94	0.85	1984	2,044	814	2.51
1961	82	100	0.82	1985	2,150	740	2.90
1962	87	106	0.82	1986	2,300	802	2.86
1963	100	109	0.92	1987	3,098	929	3.33
1964	103	116	0.89	1988	4,040	1,117	3.62
1965	105	126	0.83	1989	4,997	1,292	3.87
1966	125	147	0.85	1990	5,667	1,508	3.56
1967	142	152	0.93	1991	6,503	1,698	3.82
1968	169	160	1.05	1992	7,014	1,880	3.83
1969	210	170	1.23	1993	7,472	2,097	3.56
1970	243	195	1.25	1994	8,509	2,386	3.57
1971	285	197	1.45	1995	10,007	2,753	3.63
1972	316	212	1.49				
1973	396	273	1.45				
1974	535	339	1.58				
1975	591	359	1.65				

From related literature review, it can be drawn to conclusion that South Korean Government intervened, induced and assisted the private sector in export production with measures and policies created for further prosperity of the sector to

¹ Yoshihara Kunio, The Nation and Economic Growth: Korea and Thailand(Japan: Kyoto University Press, 1999)

get in line with the world economic situation. Such government participation encouraged South Korea to have its market bases to support its own commodities both domestically and internationally.

Thailand possessed the geography that is more supportive to agricultural activities than South Korea, which drives Thai government to enforce policies that contribute to serve the world market with agricultural product rather than supporting industrial revolution in exports within the country. This factor is added up by the number of population in Thailand permits the foreign investment rather than generating its own industry. Also the high tariff wall that was set to sponsor industry instead of import due to the Thai politicians' share of interest.

With the fluctuating investment into the country, Thailand started to promote export policies since 1972 but the policies were not efficient enough at the time, due to political and social structure that lacks integrity of labor process, human resources development and technology to contribute to industry for export.

1. The Change in World Economy and Industrial Development in Thailand and South Korea

1.1 Industrial and Economic Development Process

In order to understand the industrial and economic development process, applicable theoretical theories need to be discussed in this section. This paper intends to indicate that applying different theoretical frameworks leads to different approaches in analyzing the problems. Even the case study is conducted in only one country. Different theoretical framework creates different approaches of accessing the cause of each problem, resulting in different policies that shape different solutions.

The context compiled in this paper views industrialization from two perspectives from is the developmental theory that is well-known among developmental economists which are ²

² Pasuk Phongpaichitshigeru, Industrial development and economic development experience of South Korea, Brazil(Bangkok: University of Chulalongkorn Press, 1998),p. 19.

1.1.1 Structuralism analytical method which links the generation and development of industry with industrial protection policy and state role in setting industrial policy.

1.1.2 Neo-Classical analytical method which links the generation and development of industry with the dependent policy that signifies marketing apparatus as the main concern.

Both theories are macro-economy developmental theories. Both of them link their own concepts to different industrial developmental models.

Structuralism proposes that the direct intervention of the government to construct rules and regulations related to import, export, state enterprises and industrial policies can result in growth of the industry.

On the contrary, liberalism proposes that the government decreases the intervention in policy settings while letting the market apparatus (up and down of prices) become the stimuli of economic agents, that are, entrepreneurs and labors adjust the production location or decrease the production together with the price apparatus to indicate industrial and economic development to the highest efficiency.

The self dependence can lead to industrial sponsoring policy that could substitute the import and industrialization but for the neo-liberalism, being a part of the world economy is emphasizing industrial export promotion strategy. This literature proposes that developing countries may increase their rankings in competition to stimulate their import into the world market only if price control is reduced, that is, to decrease the import tax and adopt free trade policy as the main policy of the economic system.

After the Second World War, countries that fall to be the colonies of the Western countries called for liberalization. After the period, each country encountered economic changes and classes of industry started to occur. Nevertheless, the industrial production still clustered within the developed countries. After the 1977, rapid growth in industry was found in the New Industrial Countries (NICs) such as Brazil, South Korean, and Thailand, which we will focus into detail later on.

1.2 NICs (Newly Industrializing Countries) or NIEs (Newly Industrializing Economies)

1.2.1 Organization for Economic Cooperation and Development³

NIC's was initiated in 1979 in OECD report on the topic "The impact of the Newly Industrializing Countries". This report referred to industrialization of industrial countries in 10 Asian and Latin American countries, by names, South Korea, Taiwan, Hong Kong, Singapore, Brazil, Mexico, Greece, Yugoslavia, Spain and Portugal, analyzing the fast-paced industrialization of these countries and the impact of developed countries in OECD network. Such analysis starts from analyzing if the industrialization of individual country would reflect a con towards the OECD. This report finally concluded that OECD benefits from industrialization of the NICs rather than losing its advantages due to pros of interdependence in trades and international investment. OECD report also mentions 4 important factors that the newly industrializing countries shared;

1.2.1.1 Each country adopts the vigorous "Open Economy" policy which means the policy expands economic growth and sponsors export.

1.2.1.2 NICs countries had increased its export value to the point that the ratio between industrial commodity export rises compared with the value of world industrial export while the value of world industrial export also increased.

1.2.1.3 In each industrial country itself, industrialization started to play a more vital role, calculated as the portion between Gross Domestic Product(GDP) to exports and Total Employment Rate. Moreover, employment rate in industrial sector also increased.

1.2.1.4 Every country started to decrease the gap between per capita income between oneself and the developed countries.

1.2.2 In order to understand the industrialization process of the developing countries who lagged behind the developed, the changing situation in the world economy needs to be stated in context as this paper will further elaborate on the topics listed below;

³Pasuk Phongpaichitshigeru, Industrial development and economic development experience of South Korea, Brazil(Bangkok: University of Chulalongkorn Press, 1998), p. 19.

1.2.2.1 The Growth of World Trade and Industrial Manufacturing

The global trade development from the period of World War Two on can be divided into 2 sessions; the first one is from the year 1848 until the end of World War Two on to the first awakening rise of oil price in 1973. The second session is from 1973 until now.

1.2.2.2 The Manufacture and Export of Industrial Commodities

When oil prices rose in 1973, it also stimulated a rise in manufacturing cost. The developed countries could not adjust in time and affected the industrial manufacturing in a negative way in the following decades. The economic development of the developed countries between the 1950s-1960s coincided with the fast growing industrial commodities trading in value and quantity. $\frac{3}{4}$ of the total trading are said to be among the developed countries only.

The increase in export of industrial commodities is a stimulus in economy, thus, international trades become a crucial factor for economic development.

1.2.2.3 The Limitation of Industrial Protection Strategy to Sponsor Import Substitution Industrialization.

The narrow line of domestic market due to small number of population or the decreasing income, using international technology which is more a capital intensive technology than labor makes a limited increase in industrial labor constructs a limit in the expansion of high-income industrial labor to become the base of domestic market in industrial substitution industrialization. Such situation causes the major need of high valued capital and well-educated labor, including the public utilities that are necessary for industrial manufacturing, in which, needs collective resources in capital and time.

The problems and obstacles would cause the rise in cost and lack of standard to factories set up for industrial manufacturing. The labor absorption of the industrial sector is low and also faces the problem in income distribution which causes inequality. Moreover, the high tariff walls are set up to attract foreign investors into the countries competing with the domestic businesses itself.

After the Second World War, the distribution of industrial manufacturing started from the developed countries in Western Europe, America and Japan and played a vital role in industrial commodities manufacturing. Such role decreases comparatively when time passed by starting from the increasing industrial manufacturing that sprang up in the communist countries, then spreading to the NICs in Asia and Latin America that played a greater role in the world market.

The industrial commodities trading pattern started to change in the latter stages with the increasing portions of exports from the NICs in the world market.

In the developed countries, the role of The United States and United Kingdom started to fall. Germany and Japan started to grow its importance, meaning the competition in the industrial market grew even more aggressive in the latter years.

South Korea is an example of fast growing economic countries that abides by no economic theories. In South Korea, instead of using the market strategy and as the main indicator of resources management and investment of the private sector, the government plays such role in designating the investment of the private sector instead of letting go the competition of business to create a Perfectly Competitive Market. The business and companies occurred to be unable to control the market mechanics and the government could protect the domestic industry from competing with overseas. Therefore, the South Korean economy failed to restructure the price to align with the economic theory principles (by adapting the structure to resemble the perfectly competitive market) but the South Korean government also structure prices in a different way from what the theory said.⁴

The success in industrial development of South Korea can be obviously seen from the increase of import and the change in export elements. In 1960, South Korean export valued only 33 Million which was less than 10 percent of Thailand's export. But in the following years, South Korean export rose to nearly equal Thai export value and in 1990 has risen to be triple the number of Thailand's export.

⁴ Amsden, Alice, Asia's Nex Giant : South Korea and Late Industrialisation, OUP. p. 4.

To increase export promotion, South Korea resides by handicraft industry in the year 1970. When the export number of South Korea outnumbered Thailand by 20 percent, South Korean handicraft export bounced to 6 times more than Thailand's. In 1970 and 1980, South Korean industrial export has changed its element to be higher-value commodities, especially mechanical engines. At the beginning of 1990, the export of mechanical engine was worth around half of the number of handicraft exported. In contrast, Thailand still mainly resides by primary commodities export. Even in recent years, Thailand's industrial export still lagged behind.

1.2.2.4 Newly Industrialization in Asia

The de-industrialization had started to grow in developed countries since the end of 1957 and became more severe soon after 1973 up until 1987 as seen from the proportion of manufactory to heavy industries compared to GDP and the decreasing unemployment rate. Two important causes are the change in advantage and disadvantages of trading with foreign countries and the lack of competitive competencies in the world market which decrease the number of export whilst increase the number of import of the country.

The summary of changes in world economy and industrial development of Thailand and South Korea from the related literature review, conclusion can be drawn that industrial development can spring up rapidly in the developing countries and moved the production base out of already developed countries. This situation led to the labor abundant countries, including South Korea and Thailand. Moreover, such phenomenon is said to be the main factor which can describe the industrial recession and unemployment rate increase within the developed countries in the following era.

On the other hands, the statistical data indicates that industrial production of South Korea had risen higher than Thailand. At the time, resources in Thailand still support the agro industry, not the industrial sector which would be the factor that pushes Thailand to be competitive with South Korea in export. Even before the 1960s, when both countries tried to transform into industrial countries, after the 1960s, while Thailand tried to compensate the import from South Korea with production, South Korea targeted all industry that would support

its export, which is the main factor that pushed South Korea into its success of striving to be NICs country.

The faster the country grows to be NICs, the more important the role of the public sector grows to make the policy of that country align with the need of the world economic situation.

1.2.2.5 State Role in Capitals Economic Policy

The literature review in this paper will state the state role in capitalist economic system, which can be categorized as follows. 1)Market-failure literature that gives reasons for governments to intervene the market. This group signifies “efficiency”. 2)The literature that believes in government intervention as a social representative and do not concern efficiency 3)The literature of left-sided and right-sided political and economic groups from the state perspective with a goal to hold individuality and dependence from the social target as a whole 4)Literature that stresses government failure which hypothesizes no success due to the limitations of the government. And 5)The proposed perspective from economic institute that government needs to intervene to reduce the transaction costs, resulting from the process of enacting property rights to solve the instability of the macro-economy. The governments need to take part in administering all activities with a coordination in legislative activities, educational system and supporting the national ideology for economic development.

There is significant importance that the state needs to intervene into the market to impose industrial policy in order to decrease transaction cost which is generated from the need of linking agents to collaborate all plans from all agents in economic system for production and pricing. Chang defined “industrial policy” as policies imposed with the objective to promote an industry to meet the success as goals set by the government and make the production effective and benefit economy as a whole. This means the government intervention into the marketing strategies will support many branches of industry and not letting the pricing strategy control the industry alone. Measures used by the government to support the exporting industry to achieve the set target, decreasing the electricity fee, supporting research and development grants and training opportunities, negotiating with foreign investors, assisting in bargaining for technologies from overseas,

exemption from taxes, juristic individual income, import taxes, market searching etc. Chang studied the policy adoption experience within the South Korean industry between 1962 and 1991 to support his own assumption.⁵

After the Second World War, the relationship with the United States started to influence South Korea more, especially in the 1950's due to the dependence on monetary aid from the United States. Even so, South Korea performance was still amazing compared to Thailand.

In case of Thailand, the government joined the alliance with the United States of America from 1957 on to oppose against communism and chose to develop its economy aligning with the guideline given by the United States through the World Bank(Ukrit, 1983) unconditionally. In case of South Korea, the close relationship with the United States did not make South Korea comply totally with the guideline given by America. South Korean leader did not make conflict with the United States to support the rights of the private sector but did not enact the liberalist policy of the United States strictly. Despite such fact, the South Korean leader still sought benefits from cooperating with the U.S in eradicating communism. But in setting strategy for industrial development, the developmental leader developed import substituting industrialization in the first stages by following the pace of the economists who supported the state intervention in economic system to create the industry according the guideline given by German nationalist economist like Frederic List, Schum Peter and some economic theories from Karl Marx(Chang, 1993:125)

When the U.S started to take aback financial aids after South Korean Wars, resulting in policy changing of the government in exports and investment, Thailand had to increase direct foreign investment, starting from 1960, with the need in capital and foreign currency. In Thailand, with very few conditions for investment within the country and some supporting policies from the U.S makes foreign investors gain benefits in doing businesses rather than Thai entrepreneurs. Technological development and transfer took place slowly until 1997 Thailand was still known to

⁵ Chang, Har-Joon, The Political Economy of Industrial Policy(St martin Press, 1996),

be dependent on imported technologies and industrial manufacturing which is calculated to be 60 percent by average. These two factors contributed to one of the limitations of Thailand.

But in case of South Korea, the government chose to walk along different strategies, depending on foreign trade, but independent from investors or conditional investment or investment with limitation because the leader aimed to develop local businessmen and build on its own technology as the main point.

In Thailand, the control and suppression policy was effective between 1973 and 1976 with the labor process getting into a slump again after its high rise up until now, Thai labor process is still weak and the labor law in Thailand makes it hard to control and integrate the labor process.

1.3 Explanation of the Success of South Korea

Alice Amsden signified the importance of policies during 1979–1982 on

- 1) An increase in government sector in the time that private sector decrease its investment. The investment finance at the time was acquired from financial loans from overseas.
- 2) Government policy adoption in decreasing interest to support the business that faced problems of decreasing demands.
- 3) Governmental support in merger action of SMEs, prone to bankrupt as one company to decrease the cost used in administration and increase efficiency with new form of administration, reorganizing the structure in 1986, sponsoring industrial business in the same branch to restructure in order to compete with the foreign markets more efficiently such as the automobile business, electricity generator, diesel motors industry. The industries cited were supplied with newly invented automatic technologies that would increase efficiency of the production process and decrease the cost in labor while the labor market situation became tenser.

1.3.1 The solution to how South Korea can develop its own technology is the intervention of the government in the following issues;

Assisting its own people to learn newly invented technologies.

Vigorously supporting the overseas training program grants of managers and engineers.

Encouraging the use of foreign advisors or “Consultant”.

The government participation in negotiating for new technologies or “licensing” production.

The perspective that technology is not just a technical issue and cost only, but also the development of human resources. The government supports the scientific and engineering studies and encourage a high level of population to have high school level education.

1.3.2 During 1961–1979, the South Korean government adopted important economic policies, as follow;

Intervention of high managed by government, guiding economic strategies and controlling political affairs.

Preparation and adoption of policies with close coordination among cabinet, ministers, business leaders and technocrats or bureaucrats in important.

The use of different rates of interest to sponsor specific branch of industry.

The government support in transferring technologies rather than direct investment from foreign countries and mere support of foreign owned business except in some specific cases

The South Korean government has a much higher intervention in the market than Thai government. For example, South Korean government would impose a control on number of export rather than intervening on the capital market, investment limitation of foreigners is more seriously controlled. The main focus would fall on the state enterprises. From this fact, it can be said that South Korea performed much better because of the government intervention. But causes of South Korean economic growth can also be described by some other factors.

2. Economic and Social Restructure

2.1 The Change in Economic and Social Structure

Economic Restructuring: Industry agriculture and service sector,

From the economic background of the developed industrialized countries showed that economic structure had been completely changed after industrial development. The crucial components in the restructuring are decreasing the importance of agricultural sector economy while the industrial sector and services increase their importance. The concrete example of such change is the reduction of household business and industry amongst the rise in number and importance of national and multi-national business. The labor movement that used to seasonal employ in the traditional sector started to move into the urban as factory working system and the service business.

The study of Colin Clark and Kuzhnet proposes that the economic restructuring process comprises of main stages, which are pre-industrial stage which the agro-industry still plays the key role, the mid- industrialization process stage and the post-industrialization process which shows the growth in service sector(tertiary sector) and the advanced technological usage. The service sector would develop in a fast pace with high per-capita income.

Table 2 Classification of Labor professional.⁸

Unit: percent.

South Korea.	1960	1970	1980	1985
Owners Between the higher management.	0.5	0.6	1.1	1.1
Professional middle class	18.2	27.0	36.2	45.8
<i>Employees in Company.</i>	5.2	8.9	13.8	17.1
<i>Private non-agricultural professionals</i>	10.5	13.6	17.1	21.0
<i>Employees in Trade and services</i>	2.5	4.5	5.3	7.7
<i>Labor sector in Industry.</i>				
Transportation construction	12.1	19.2	25.0	26.3
Farmer	65.2	51.7	33.5	23.9
Unemployment	4.0	1.6	4.3	2.6
Total labor force(%)	100.0	100.0	100.0	100.0
Total(in 1,000)	(7,522)	(10,543)	(12,708)	(15,350)
Thailand	1960	1970	1985	1987 – 1989⁶
Owners Between the higher management.	0.2	0.3	1.2	1.6
Professional middle class	8.8	11.2	21.5	18.0
Professional, executive, manager	1.6	3.1	3.8	4.7
Other professional middle class ⁷	7.2	8.1	17.7	13.3
<i>Labor sector in Industry.</i>				
Transportation construction	8.7	9.2	18.6	22.2
Farmer and household workers Hire	79.8	76.7	50.9	47.9
agricultural workers	2.3	1.9	7.8	8.8
Total labor force(%)	100.0	100.0	100.0	100.0
Total(in 1,000)	(13,722)	(16,652)	(22,602)	(26,297)

⁶ average⁷ Total sales, clerk, a personal career.⁸ South Korea deck. Adjust the data form Koo Hagen, "Middle Classes, Democratization and Class Formation : The Case of South Korea," *Theory & Society*, August 1991, p 488. For the Thai case. Calculated from the National Statistical Office. Census, 2503, 2513, 2523. Cited in Pasuk Phongpaichitshigeru, *Industrial development and economic development experience of South Korea, Brazil*, (Bangkok: University of Chulalongkorn Press, 1998),p. 19.

Table 2 shows that within the same period(1960-1985) the change in social class structure can be seen from the slower labor career structure. During 1960-1985, even the middle class would leap from 8.8 percent to 21.5 percent and the labor sector would increase more than double from 8.7 percent to 18.6 percent, that only counts 4/5 of total labor agro-sector labor which is still the majority of the country (58.7 percent in 1985, 56.7 percent from 1987-1989) (As shown in Figure 3.4) The significant difference when comparing the social classes between South Korea and Thailand is in the mean time, South Korean does not have land lord class and no landless problem, farmland leasing problem, but in Thailand, these problems are imminent.

2.2 Solutions to the Problem of the Agro-Sector

In the first stage of South Korean development, there were landlord and farm land renting problems, which were more than Thailand in the same periods (1937–1947). The government, with the support from the U.S, solved the problem with restricted measures in distributing the lands to farmland renters. These measures were effective in many ways 1)Reduce the power of landlord 2)Constitute equal rights to farmers and increase their income, benefiting the expansion of industrial consumption products 3)Helps the government solve the owned lands problems for the suburban areas and the conflicts between the landlord and renters.

In Thailand, starting from 1957, Thailand had mere problems with the land owning. In only some parts did the problem rose but not as violent as in South Korea. The economic expansion apart from the agricultural sector in the developmental decade of 1937–1947 could support the labor resources that retire themselves from the agricultural sector. At the time, Thailand's economy still allowed enough land to be unoccupied, allowing the agricultural suburban families to occupy the land to make their living. The government also supported them with no restricted measures.

Alice Amsden explained the success of South Korea by analyzing from social and political perspective, indicating that

The government performed greatly without interference of conflicts with landlords since the land reformation policy was adopted before industrial development, resulting in the increase of landlord power

The private banking business was not strong enough, allowing the government to intervene in capitalistic market. Loans and interests were launched to industrial businesses that need support without any obstruction private banking sectors.

The weak power of labor, surrendered by political and economic policy that would assist them to upgrade their income.

2.3 The Roles of Giant Local Business(Chaebols) and Its Relationship with the Government

South Korean analysts presented that the industrialization experience is the success of South Korea during 1970-1990 which was created by the cooperation between the government and but giant local business called Chaebol. The South Korean government at the time was in the developmental state. Important Chaebols are cross-national companies like Hyundai, Samsung, Daewoo, Lucky, Gold Star. The government sponsored these Chaebols by giving low-price credits and financial support in decreasing the production cost when they can achieve the export goals set by the government. Moreover, the government assisted them in controlling and suppressing the labor from calling for wages and pay rise which could be the cause of labor cost increase. The laws issued at the time benefit the employers more than employees. These Chabols grew to be bigger in size with high employment opportunities. In 1987, 10 biggest Chaebols of South Korea produced a high number of commodities calculated at 28.2 percent of overall industrial handicraft products, hiring 12 percent of the hiring number of handicraft industry. The big Chabols would monopolize the mechanical and technological production. 5 biggest Chaebols control 40 percent of metal, mechanical engines and tools and equipment products. 30 biggest Chaebols occupied 30 percent of the value added in handicraft industry in 1994. Chaebol produced so many types of industrial products and services that they became cross-national companies.

2.4 Technological and Human Resource Development

Meier, developmental economist explained the success of South Korea in 1984, cited “South Korea achieved a high success in economic development with 2 factors; The appropriate policy setting by the government and the advantageous opportunity seeking behavior of South Korean businessmen, who are well-educated human resource, coinciding with the fast-growing world economy”. The strong investment on the appropriate policies adopted by the government like free trade policy, imposing the commercial policy that supports export production and benefits the domestic market enables the government to set other policies that increase efficiency in resources management and turn away from the rule of perfectly competitive market and adapt the cost to be nearest to the real cost in both classification and structure.

In conclusion, Meier stressed that South Korea succeeded because of the right policies set by the government according to the free trade theory and competition within the perfectly competitive market.

2.5 Economic Crisis and Democratic State Development

At the end of 1967, the South Korean economy had changed. The business professionals, laymen, middle-class and industrial workers including the general citizen started to be dissatisfied with the centralism of military government and demanded a democratic election to be conducted, in order to have more public participation in the administration. At the same time, the country was facing world economic recession when oil prices rose higher in the 1970s. Therefore, the country had to face with a crisis at both facets; political crisis and economic crisis.

2.6 Political Crisis

There are two significant events within the period; one is the assassination of president Park, Chung-Hee in 1979 and the other is the demonstration against president Chun, Doo-Hwan in 1987. After he resigned, president Ro, Tae-Woo came to replace the position and granted the democratic election at the end of the year. The causes of protest against the military regime were 1)The change in world politics 2)The increase of complicity in South Korean society with new factions trying to gain power and 3)The military regime started to obstruct the economic growth.

From related literature review, it can be concluded that, the lower class farmers had become a major part of Thai society and within this group of people, the land lord problem had become a bigger problem in making a living. The poverty in the country and gaps in income became more evident. These are obstacles to Thailand's export as much as it could.

Thailand could not achieve in sponsoring the industrial sector to send export as much as South Korea since Thailand still lacked human resources development, technological development and land reform.

The economic and political democratization development were great obstacles to the country's development in both Thailand and South Korea during 1960s–1980s. Thailand encountered more serious political and social development that South Korea, resulting in Thailand's discontinuity in economic and social development policy implementation. Anyhow, South Korea also faced the same problems in 1980, causing a slump in GNP but within one year, South Korea could recover from such economic crisis, enabling it to continuously implement the economic development plan.

The result of cooperation among the government and local gigantic businesses or Chaebols make South Korea a developmental state, with cheap credits and financial aid to help decrease production cost in case the exports could achieve the aims set by the government.

3. Nation Economic Development Plan: Reasons and Important

Planning is used as a tool for setting policy framework and guideline in the implementation process to achieve the set objectives and goals. Planning consists of many levels and categories. In the public sector, there is the National Plan which is the nation economic and social development plans. In regional plan, provincial plan, local plan and many other categories such as the macro plan or master plan which is a high-level plan. Normally, these are regarded as national plans and sectorial plans, which are, agricultural plan, industrial plan, commercial plan, communication plan,

public sector plan, education plan, etc. Nevertheless, this paper will study, analyze and research on only national development planning only.

3. 1 Economic Planning

The Encyclopedia of Economics cited economic planning as “as process to collect economic information and strategic smart usage of techniques to get in line with conceptual frameworks within the set goals, under the limitation of economy not economic limitation”. The path to implementing the plan differs in each country, depending on the planning techniques adopted in each place. Every country in the world may adopt one unique pattern of planning, but the limitation of planning strategy, planning organization, plan implementation and impact in each country depend upon the political, cultural, social, technological condition of those institutes.

The national economic and social development Command in 1978 Act 4 imposed the definition of planning or economic plan as Plan means List of development collaborative project and action plans, selected from the country or sector or activity in each branch in a locality to achieve the set objective and goal in order to get align with monetary and other resources available.

H.D Dickinson, English economist, defined the word “Planning” in his book “Economics of Socialism(1983)” as “...Planning is collaborative economic decision making of what to be produced, to what quantity, to whom it will be distributed. Such decision making relies on the consciousness of the authorized leaders on the basis of all-rounded economic system survey”.

G.Sirkin, the American writer of the book “The visible Hand: The Fundamental of Economic Planning(1968)” defined planning as “Planning is the trial in centralizing management authority to the point that resources distribution is conducted fairly, considering from cost and benefits to the society, of which, is not the act of the decision maker.”

V.S Nemchinove, Russian economist in the period of economic reform defined economic planning as “It is the planning, of which, its pragmatic performance should be united within the relationship and working regulations, depending on the market apparatus in planning, distributing the significant authorities and decision making in planning principles to the directly related

agencies and transferring many planning related problems to the local unit leaders, which brings about the centralized democratic governance” .

Roger A. Bowles and David K. Whytes defined economic planning as “Planning that intends to manage parameters of economic system, leading to changes in mechanism of economic system.”

Michael P. Todaro cited “Planning is the effort of the government to coordinate the economic decision making in order to achieve all set goals to the right solution”.

Sapo, Hungarian economist, said “Planning is the use of economic knowledge, blended with knowledge of other branches, experience and pragmatic knowledge to analyze, control and manage economic, institutional and organizational resources in an economic system to achieve the desired objectives in any possible way to achieve the highest efficiency”.

Firmin Oules said economic planning as having 3 elements; coordination which has already been prioritized to align with the available resources in the economic system, with the right forecast and centralization in coordinating all goals to cope with the available resources.

Pisith give conclusion can be drawn from the meaning of economic planning with the following definitions

Economic plan is a framework, used to impose national economic policy both at the present and in the future. Economic planning imposes objectives and goals to be achieved in the future and the expectation of the nation as a whole.

Economic plan stipulates the guidelines, practices and resources and funding allocation to develop economic and social plans of the nation.

Economic planning is similar to coordination and prioritization of objectives, goals, action plans and projects.

Economic planning comprises of planning process and planning agency.

From the experience of each country and what each country has encountered, whether in economic or social facet, for example, the slow growth in economic development, the lack of integrity in economic system, the lagged behind economic and social condition, the problem of the income rises, poverty, unfair income

allocation, unemployment, labor problem, the abuse of labor, inflation, environmental degradation and contamination and many other problems.

From all related concepts, it can be drawn to conclusion in reasons and necessities of economic and social planning of Thailand and South Korea as can be broken down in the following topics;

Planning for resources allocation

Since every economic system has to encounter basic economic problems in the same ways, which are, what to manufacture, how to manufacture and how to allocate the products. Therefore, planning will help allocate rare resources and limited resources to deliver efficiency and effectiveness in their usage. The state needs to allocate by “project-by-project approach” engaging with consistency in their production.

Planning for the economic stability

To achieve the economic integrity, the level of total demands with the use of funding resources, labor resources and other resources together with policies and measures to achieve the goals of such plans, proceeding through the market and residing by the financial and treasury policy in controlling the demand, the plan would still aggravate the income level while letting the private sector to hold the direction of growth and economic stability such as inflation, deficit etc.

Planning due to the influence from external institutes

Planning according to the condition of the supporting countries especially the U.S, many international institutes held technical and academic training for development to enhance the knowledge and understanding in the developing countries.

Thailand has also gained much support from international countries in development, starting from the enrooting the education by the World Bank in 1958 which introduces the Thai government to start the development plan and establish a developmental planning organization, which is the origin of NESDB, including the national economic and social development plan at the present. South Korea got the first aid from the UN in sponsoring and indicating national economic development plan and the establishment of NPB in 1954.

Academic planning and progress

The evolution of all branches of academics relating to developmental planning especially, economics would view the problem in macroeconomic perspective, initiating technical planning and statistical report of the national income (NI) with developmental theory and strategies that contribute to economic development. Such academic facets should support the balanced growth or the devotion into investment in some ways to stimulate the big-push theory in studying the collection of NI accounting data, generating the annual records and publishing as evidence.

Planning to rectify the imperfection in market apparatus

Using planning as a tool to intervene market economy apparatus which cannot perform completely due to many causes such as the market lacking complete competition, the present price not reflecting the deficiency or fluctuation of commodities and services due to the monopoly in many branches of economy, affecting the morale and graceful tradition of the society. The government still engages with economic and social development to control the individual consumption behavior such as tax collection, liquor, the boycott of dangerous drugs, the assistance in hospital support and education, etc.

Other reasons and necessities in economic and social planning

Apart from the above mentioned, there are many other countries that see the necessity in development planning due to the norm in facing economic and social problems such as the pressure on population increase, limitation of foreign currency, etc. Therefore, the plan was initiated for the highest utility from the limited resources and advance solution of the problems. It can be said that almost all countries in the world which are categorized as developed countries need to be planned and planning should be adopted as a part of the country's administration process.

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4. Summary Comparative Analysis of the No.1- 4 Economic Development Plans of the Two Countries

From the study of economic development plan 1–4 of the two countries, there are many factors that both South Korea and Thailand share. During 1960s–1980s, the division of South Korea from the cold war and Thailand's effect from Vietnam brought about the imperialism into South Korea, led by the U.S to dominate South Korea, in protecting the country from communist power of China and Russia and into Thailand from the communist power which was dominating the SEA region at the time. The U.S urged both countries to receive economic development strategies put through the World Bank and the U.N. the development plan of both countries were simultaneously initiated and launched at almost the same time. At the time, both countries had similar economic and political models, being menaced by communist, threatened by poverty and remained undeveloped. The first economic development plan was launched in 1962 in the era of President Park, Jung–Hee and still influenced Plan 2-4. Park planned to manage economic development through state-led intervention in industrial enterprises under his guided capitalism.⁹ Thailand first draft of economic development plan was launched in 1961. The launch of economic plan 1-3 was implemented under the dictatorship of Prime Minister Sarit Thanarit and thanom Kittikajorn. Nevertheless, during Plan 3-4, The democratic trend occurred which the main intent to topple the military regime while the South Korean President assassination happened within the same time period but the result of the development of both countries were evident after plan 2(1970), as can be seen that South Korea could develop to be NICs while Thailand's economy still lagged behind. This thesis tends to study the factors that result in difference of development between the two countries.

Between 1960s–1980s, both countries still had similar GNP numbers, until 2 decades later, South Korea's economy had developed greatly and double the GNP number of Thailand. The comparison of factors and strategies in economic

⁹ Kim hyung-A, Korea's Development under Park Chung Hee, Rapid Industrialization (London: Routledge Curzon, 2004), p. 78.

development of the two countries are conducted from external factors; political and international economic factors, in line with studying the stability of the government, leadership strategy studies, and leadership process, targets and objectives of economic development plans, including the implementation of the plan.

Previous study found that external factors and internal factors of both countries did not differ much in the year 1960 and still received good support from the U.S in financial aid and political stability. In the international investment, Japan played an important part in the investment but what really affects the two countries that resulted in difference would be the economic development strategy of both countries.

In the first stage of the plan implementation, South Korea and Thailand still shared the same basic social infrastructure, which are building communication networks, generating power sources, education reforms, increasing potentials in production, and planning the base for further growth in industrial revolution. It can be broadly said that in this first stage, the plan would emphasize on the unbalance growth, including the formation of central town for development and human resources development plan. The growth rate of South Korea by average still remained higher than 10 percent while Thailand's rate remained at 7 percent.

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Table 3 Strategies of South Korea Economic Development Plans¹⁰

Plan Title Contents of Plans	The First 5-Year Plan (1962-1966)	The Second 5-Year Plan (1967-1971)	The Third 5-Year Plan (1972-1976)	The Fourth 5-Year Plan (1977-1981)
Plan Targets	1 Correction of vicious circle of social and economic aspects 2 Establishment of the foundation of a self-sustaining economy	1 Modernization of industrial structure 2 Acceleration of self-sustaining economy	1 Balanced growth, stabilization and a balanced economy 2 Realization of self-sustaining economic structure 3 To ensure balanced regional development	1 Growth, equity, and efficiency 2 The creation of economic structure for self-sustaining growth 3 Promotion of social development 4 Technological innovation and raising of efficiency
Rates of Planned (Actual) Economic Growth	7.1% (8.5%)	7.0% (9.7%)	8.6% (10.1%)	9.2% (5.5%)
Development Strategy (policy)	1 Correction of structural imbalance in national economy caused by increase in agricultural productivity 2 Securing of resources supply energy 3 Expansion of basic industry and sufficient supply of social overhead capital 4 Utilization of idle resources 5 Improvement of the balance of payments 6 Promotion of technology	1 Self-sufficiency in food and development of water resources 2 Establishment of the foundation for rapid development of industries (chemical, iron and steel, and machinery) 3 \$700 million worth export performance and acceleration of import substitution industries—improvement in the balance of payments 4 Increase of employment, expedite family planning measures and restrain population growth 5 Diversification of farming and increase in farm income 6 Promotion of science and management technology and increase in productivity	1 Self-sufficiency in major food grains 2 Improvement of living standards in farming and fishery villages 3 Promotion of manufacturing through the build-up of heavy and chemical industries 4 Promotion of science and technology and development of manpower 5 A balanced expansion of social overhead capital 6 Efficient development of national land resources and optimum dispersion of industries and population 7 Social security and promotion of national welfare	1 Self-reliance in investment financing 2 An equilibrium in the balance of payments 3 Change in industrial structure and rapid development thereof 4 Expansion of Saemaul (new community) Movement 5 Increased investment in science and technology 6 Management of economy and system improvement
Principles of Industrialization	Adjustment of the foundation of industrialization	Outward-oriented industrialization	The build-up of export-oriented heavy and chemical industries	Development of technological and skilled-labor intensive industries

¹⁰ The federation of Korean Industries, Korea's economic policies (1945-1985)(Seoul: The federation of Korean Industries, 1987), p. 6.

The difference in economic growth still went on continuously while the South Korean government remained focused on GIO and Thailand started to grow her interest on reducing the economic status gaps and put more effort in social development. South Korea still focused on encouraging export while Thailand had a softer measure on imports and approve the dependence between the private and public sectors. South Korea focused more on Chaebols the big companies in private sectors while Thailand would rather develop the state enterprises.

In the development plan 3, South Korea still held the same principle of supporting private sector industry, stressing the importance of export, fixing the wages and standardizing the commodities in quality to increase competitiveness internationally.



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Table 4 Summary of Industrialization in South Korea¹¹

Plan Title	The First 5-Year Plan (1962-1966)	The Second 5-Year Plan (1967-1971)	The Third 5-Year Plan (1972-1976)	The Fourth 5-Year Plan (1977-1981)
Development Strategy of the Manufacturing Sector	Nurturing of basic industry and adjustment of social overhead capital (the establishment of the foundation for self-sustaining industries)	Capital goods import substitution and exportation of light manufactured goods (outward-looking industrialization)	The build-up of heavy and chemical industries (change in industrial structure)	Change in industrial structure and promotion of competitiveness (realization of economic structure for self-sustaining growth)
Rate of Economic Growth (Average per annum): Actual (Planned)	8.5% (7.1%)	9.7% (7.0%)	10.1% (8.6%)	5.5% (9.2%)
Rate of Growth in Mining and Manufacturing (Average per annum)	14.2%	9.8%	18.1%	10.3%
Ratio of Mining and Manufacturing Sector to total Industries (Target Year)	25.7%	20.9%	29.5%	21.3%
Ratio of Heavy and Chemical Industries to Manufacturing Sector (Target Year)	36.0%	37.3%	45.6%	51.8%
Ratio of Heavy and Chemical Industrialization to Manufacturing Sector (Target Year)	10.2%	14.2%	29.8%	45.3%
	Electricity, fertilizers, oil refining, synthetic fibres (nylon yarn), cement, P V C	Synthetic fibers (polyester yarn), petrochemicals, electrical appliances (TV and refrigerator)	Iron and steel, transport machinery, household electronics (TV Transistor), shipbuilding, petrochemicals	Iron and steel, industrial machinery and equipment, electronic appliances, components and parts, shipbuilding
Ratio of Growth in Mining and Manufacturing to Economic Growth		34.2%	38.7%	30.8%

Notes: 1) Achievement (1982-1984)

2) Figures shown in paranthesis are the set targets

3) Figures for target year of each plan

These phenomena make South Korean industry put more effort on developing heavy industry and Petro chemical industry which succeeded with the

¹¹ The federation of Korean Industries, Korea's economic policies (1945-1985)(Seoul: The federation of Korean Industries,1987), p. 9.

assistance of the government sector to support education sector to benefit the industry. The support in R&D and readiness preparation of efficient financial condition also contributed to its success. In case of Thailand, there had been agricultural reformation plan, made through land reformation process, resulting in maintaining traditional pattern of agriculture to remain the same.

Table 5 External Economic Indices of South Korea's Economic¹²

	1st plan (62-66)	2nd plan (67-71)	3rd plan (72-76)	4th plan (77-81)
Economic Growth Rate 1)	8.5 (7.1)	9.7 (7.0)	10.1 (8.6)	5.5 (9.2)
Economic Balance	-273.0	-530.2	-960.2	-2,966.1
Export	137.8 (38.6)	698.6 (25.8)	4,456.2 (12.6)	15,116 (10.5)
Import	501.9 (18.7)	1,572.7 (17.9)	5,523.6 (13.2)	18,002.2 (10.1)
Reliance on Trade	24.7	40.4	63.3	76.4
Export	8.0	15.1	28.3	35.4
Import	16.7	25.3	35.0	41.0
Foreign Loan				
Balance 2)	-	-	10,533	32,490
DSR	-	-	10.6	13.8

Notes: Performance period from 1962 to 1964

1) Figures in paranthesis indicate the plans's target goals

2) Figures as of 1976, 1981, 1983

Also, the educational reform stressed on quantity rather than quality, that is, increasing the workforce in the field of social science rather than scientific and

¹² The federation of Korean Industries, Korea's economic policies (1945-1985)(Seoul: The federation of Korean Industries, 1987), p. 15.

technological studies. Even Thailand had turned more interest to industry for export, but political phenomena in Thailand had come back to the protest for more democratic power and the success in eradicating the autocratic power. But on the other side of successful democratic demonstration, labor demonstration was created and led to the formation of labor union to call for pay rise and welfare bargaining which results in higher cost for production and less ability to compete with other countries. The government from democratic election was also not strong enough in controlling the standard of exports, disabling the industry to create the growth within the set target goals.

At the end of 1970s, the political situation of South Korea has returned to be more democratic as Thailand's situation turned back to be autocratic. Paving the way for state enterprises to grow, the South Korean government still did not intervene in the private sector but still directed behind the scene to make the private sectors compete with each other with more transparency. At the same time, Thai government under democratic regime turned to abide by the "Privatization" policy which intends to privatize the state enterprises but the economic situation all over the world had turned to the "Over Production" era, making the "privatized" state enterprises to lack efficiency that they should equip with.

It is obvious that the stability of the government and strategy of economic development shows a great difference due to the time, planning and implementation of economic development plans in the initial stage, which resulted in a long-term situation. The differences occurred are differences in agricultural reform time difference in imposing strategies for industrial sectors, creating and developing human resources, developing financial institutes, encouraging the formation of state enterprises and private sectors. Given that the timing and relation of these dimensions did not go together, the result showed in the form of big gaps among economic indicators such as growth rate, per capita income and R&D basic development.

Table 6 Economic Growth & Inflation¹³

	1st plan 62-66	2nd plan 67-71	3rd plan 72-76	4th plan 77-81
Economic Growth Rate	8.5	9.7	10.1	5.5
Wholesale Price Increase Rate	16.5	7.9	20.3	19.7

Note: Annual average between 1982 and 1984

From reviewing all relevant researches, the Economic Development Strategies of both two countries are different. The Economic Policy and Economic Planning Development of South Korea contribute national development better than in Thailand. The aim of this research is that to find out which factor make the differences in economic development planning both drafting development policy and operating an economic development policy.

Model of the Japanese high-growth system to use as a guide for its own concrete application. Specialists on modern Japan will differ as to the precise elements and the weight to be attached to each element in such a model, but the following, based on the history of MITI, is Chalmers Johnson's estimation of the essential features of the Japanese developmental state.¹⁴

The first element of the model is the existence of a small, inexpensive, but elite bureaucracy staffed by the best managerial talent available in the system. The quality of this bureaucracy should be measured not so much by the salaries it can command as by its excellence as demonstrated academically and competitively, preferably in the best schools of public policy and management. Part of the bureaucracy should be recruited from among engineers and technicians because of

¹³ The federation of Korean Industries, Korea's economic policies (1945-1985)(Seoul: The federation of Korean Industries, 1987), p. 20.

¹⁴ Chalmers Johnson, MITI and the Japanese miracle, (Stanford University press, 1982), pp. 315-319.

the nature of the tasks it is to perform, but the majority should be generalists in the formulation and implementation of public policy.

The second element of the model is a political system in which the bureaucracy is given sufficient scope to take initiative and operate effectively. This means, concretely, that the legislative and judicial branches of government must be restricted to “safety valve” functions. These two branches of government must stand ready to intervene in the work of the bureaucracy and to restrain it when it has gone too far (which it undoubtedly will do on various occasions), but their more important overall function is to fend off the numerous interest groups in the society, which if catered to would distort the priorities of the developmental state.

The third element of the model is the perfection of market-conforming methods of state intervention in the economy. In implementing its industrial policy, the state must take care to preserve competition to as high a degree as is compatible with its priorities. This is necessary to avoid the deadening hand of state control and the inevitable inefficiency, loss of incentives, corruption, and bureaucratization that it generates. It is probable that the market-conforming methods that actually work cannot be discovered a priori but will have to emerge from conflict between the managers of the state and the managers of the privately owned strategic industries.

The fourth and final element of the model is a pilot organization like MITI. The problem here is to find the mix of powers needed by the pilot agency without either giving it control over so many sectors as to make it all-powerful or so few as to make it ineffective. MITI itself came into being through a fortuitous process of accretion.

If we see the research in the 1950s, the conclusion is that Economic development policy during the 1950s of Rhee Syng-man has a good effect on South Korea on development until the 1960s and also in the end of the 1950s. The help of the USA is also the good foundation of economic development in South Korea.

The learning of “Economic Development theories” in South Korea in the 1950s can specify in terms of social issues and vision for economic development of South Korea during the 1950s and also economic development during the 1960s in South Korea.

“Economic Development Theory” in the 1950s can be divided into 3 types.¹⁵

1. “Economic Development theory by people” you can noticeably in the 1950s. This reduces the power of government to give more chance to the private for having more freedom of competitive.

2. “Economic Development theory by Government” the government is determined and driven to a certain direction for economic development.

3 “Economic Development theory by Democratic System” is to specify the real pattern of economic development needs of society.

“The Economic Development theory in the end of 1950s to the 1962s” is increasing by the government. Government has applied the results of scholar research to use in the South Korean economic policies and economic development plans. In the late 1950s - early 1960s, the leader of South Korea choose the same denominator theory of economic development of three drafts to be keys of Economic Policy. The Economic Plan is that government is the leader in driving to the Economic Development direction, unemployment solution, Industrial Development and to accelerate fundamental of society.

The “Developmental state theory” in East Asia of “Chalmers Johnson”, the content is as same as other theory; The East Asia Countries can be successful because of government leadership in developing country. But Johnson is special from any other person, he said that those countries can be successful in developing country because each country has developed from a foundation of history and make a balance to themselves. And also focus on Economic Nationalism.¹⁶

Lee byeong Cheon do not agree with some parts of “Johnson Theory” about repressive system, for example, a merger of specific of political group, an excluding the participation of citizens. Those reasons can cause Political system not develop to the maximum of democracy.

So Johnson’s theory is not balance in the relation between Federation with the market and the society. Jonson's theory demonstrates the relationship between

¹⁵ Park Tae Gyun, 1950s economic development theory, science journal. Vol. 61,2002 pp. 238-242.

¹⁶ Lee, Byeong Cheon, East Asian Economic Growth and the theory of Capitalist Developmental State, science journal. Vol. 57, 2003 pp. 117-225.

federation and society as well, but this theory has a flaw because it does not show the relationship between the country and market well.

Johnson's "Developmental state theory" mentioned the success of Asia in the endogenous primary factor and application deployment of learning experiences and achievements of developed countries without focus on the following things, in the Cold War system period in Global System and helping from other developed countries (opportunity structure) such as help of United State of America etc.



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CHAPTER III

THE SOUTH KOREAN ECONOMIC PLANNING BOARD(EPB) AND ITS ROLES

After the Korean War ended in 1953, the World Bank recommended South Korea to focus on economic planning in order to solve the poverty of the country, but the South Korean government had to follow its decision by focusing on overhead capital and public infrastructure to lead the policy on economic growth.

Later on in later 1961, under the regime of President General Park, Chung-Hee, the government signified the serious development of the country, resulting in the first draft of 5-year economic development plan in 1962 with two important principles. The economic planning efforts in South Korea had been made from earlier on. Well before the military coup¹. The first efforts, at economic planning were begun during the Korean War by the foreign assistance agencies. But the program prepared by the Robert R. Nathan and Associates, called as Nathan plan, was never formally adopted or even recognized by the South Korean government. In 1959, the Rhee Syng-man government developed a seven-year plan. The first phase of the plan was formulated and approved by the cabinet in January, three months before the Rhee was overthrown. A new five-year plan(1962~66), prepared by the Chang Myon cabinet in 1961, suffered the same fate: the military coup in May, 1961, under the regime of president Park, Chung-Hee², the government signified the serious development of the country, resulting in the first draft of 5-year economic development plan in 1962 with two important principles.³

Basic principle of economic idealism in liberalism and individualism. Nonetheless, the South Korean republic needs to develop for industrialization. In spite of this practice, South Korea will abide by the guided capitalism in practice.

¹Sang hum Lim, "Changes within the Economic Planning Board During the Democratization Process in Korea: An Institutional Perspective," (Department of Political Science, Graduate School of Seoul National University, 2003), pp. 54-63.

² Byung-sun Choi, "The Structure of the Economic Policy-Making Institutions in Korea and the Strategic Role of the Economic Planning Board (EPB)," *Korean Journal of Policy Studies*(1987, Vol.2): 4.

³Korean Development Institute, *Korea Economy : Past and Present*(Seoul, 1975), p. 8.

The target in the final stage of South Korean economic system is the industrialization. The accumulation of capital be ought to increased, Therefore, the government needed to strive further to increase the savings within the country and induce more capital inflow into the country.

1. Structures, Authorities, Roles, Responsibilities and Administration of South Korean's EPB

After the end of the first 5-year plan, further development plans had been developed South Korea had been success hopefully and become one of the NICs countries at the end of 1980's. The success of the economic plan depended on the high command by the government that signified and trusted in the guidelines given, motivating the people and private sectors to have faith in its determination and cooperate with the government with full consent.

South Korean planning patterns are usually complicated and can be inferred that no one specific agency played a dominant role in regulating the policy. Nevertheless, the coordinating agencies in planning, The economic planning bureau, founded by law of the office of prime ministry and the other agency, the advisory council of national economic plan, which is the organization, designated by present constitution of the republic of South Korea under article 93, written;⁴

The advisory council of national plan would be appointed by the president to provide advice to the president in imposing policies that are significant to economic development of the nation.

Organization, mission and other agendas that are critical to the advisory committee should be enacted as written words.

Moreover, in section 9 of the Act also stated that the economic system of South Korea resides by liberalism which respects the liberty and initiation of state enterprises and individuals in economic practice. Article 127 gives authority to the president and advisory board in scientific and technological, information and human

resource development and sponsor innovation creation for the national economic development.

Apart from what was written in the constitution, it can be seen than the president holds the highest authority in planning process. Nonetheless, the authority, duty and roles of the mentioned organizations above would be related to planning.

The planning process of the republic of South Korea is quite complicated as it can be said that no single agency plays a key role, comparatively, in imposing the policy. However, the coordinating office, the Economic Planning Board: EPB received ample support from the government. The planning stages of South Korea can be briefly summarized as follow;

The economic planning agency draws a framework, indicating the guidelines in development and brings forward to the cabinet for consideration and disseminating to other ministries.

Other ministries draw their own plans and return back to the planning agency.

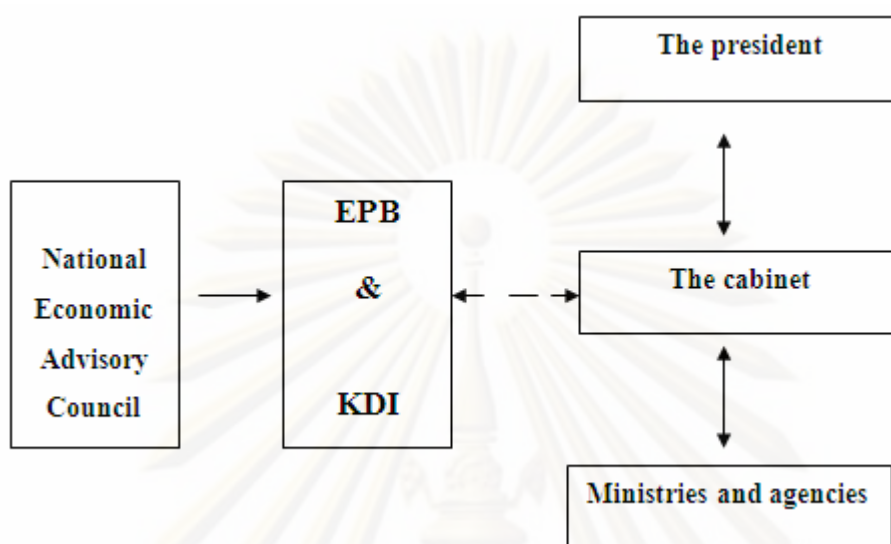
The office of economic planning will adjust the plan from each ministry to align with the cabinet planning committee under the responsibility of the cabinet.

When pass the cabinet unanimity, the plan will be sent to the faculty of national economic advisory committee to check the completeness and then propose to the president

Then, the Cabinet Planning Committee would rectify the proposal for final consideration in the final stage.

⁴ Pisith Kuntatip, "Legal dimension of national economic and social development plan,"(Master dissertation, Department of laws, Graduate School, Chulalongkorn University, 1994), p. 223.

Chart 1 Structure of organization in charge of planning in South Korea⁵



2. Characterizing the Pattern of Interactions Among the Economic Policy-Making Institutions

Despite considerable interest, both at home and abroad, in the role of the South Korean state in the process of economic development, existing studies on the structure and the workings of the economic policy-making institutions in South Korea lack the sophistication of comparable studies of such states as Japan⁶ or the Thai industrial democracies.⁷ Some viewed the economic policy-making process in South Korea as “top-down,” meaning a high concentration of decision-making power at the top.⁸ Stressing the South Korean government's tendency to take

⁵ Interview with Tea-kyun, Park, Professor of Korean studies, Seoul National University, 12 January 2010.

⁶ Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy 1926~75* (Stanford: Stanford University Press, 1982), p. 317.

⁷ Kosit Papiemrat and Chalernsakdi Rabinwongsa, Unit 15 Case study of development plan drafting.

⁸ Kwang Suk Kim, “The Korean Patterns of Economic Management: Lessons from Experience in the 1960s and 1790s,” in Yoon Hyung Kim, Chung Hoon Lee, and Daniel B. Suits (eds.), *Anatomy of Korean Economic Policies in the 1960s and 1790s: The Interaction of Government and Business in Economic Development* (Honolulu: The East-West Population Institute, 1987) cited in Byung-sun Choi, *The Structure of the Economic Policy-Making Institutions in Korea*

unreasonably drastic economic policy measures and reverse them with relation be ease, others tried to direct attention to the high degree of centralization of economic decision-making in South Korea.⁹

While there is some validity to characterizing the process of economic decision-making in South Korea as such, what is common for these views is the conception of the South Korean state as “monolithic”. While it is by now indisputable that the South Korean state has played the strategic developmental role, what has permitted the South Korean state to play the preeminent role remains largely unexplained. Part of the blame should be borne by the tendency to view the South Korean state as “monolithic” or unitary decision maker and the continued reliance on this conception as the proper level of analysis of the role of the state.¹⁰

This conception has tended to obstruct a more complete understanding of the central coordinating role of the Economic Planning Board(EPB), the peculiar constellation of economic bureaucracies in South Korea, the nature of interministerial relationships, and the pattern of conflict resolution among principal actors and economic agencies.

2.1 The Peculiar Configuration of the Economic Policy-Making Institutions in South Korea

At the heart of economic policy-making of South Korea is the “central” coordination by the Deputy Prime Minister(DPM), who also serves as the Minister of Economic Planning Board(EPB). The meaning of central coordination needs some clarification. Central coordination is here defined as follows: Among a set of decision makers, coordination is central to the degree that there is in the set one decision maker who 1)is much more powerful than the others; and 2)explicitly recognizes his task to be arranging the adaptations of decisions one to another, and to some significant degree arranges such adaptations.¹¹ The DPM is the President's top

and the Strategic Role of the Economic Planning Board(EPB), *Korean Journal of Policy Studies*, 1987, Vol.2: 2

⁹ Byung-sun Choi, “The Structure of the Economic Policy-Making Institutions in Korea and the Strategic Role of the Economic Planning Board (EPB),” *Korean Journal of Policy Studies*, (1987, Vol.2): 3.

¹⁰ *Ibid.*, 3

¹¹ Charles E. Lindblom, *The Intelligence of Democracy: Decision Making Through Mutual Adjustment*(New York: The Free Press, 1965), pp.103-105.

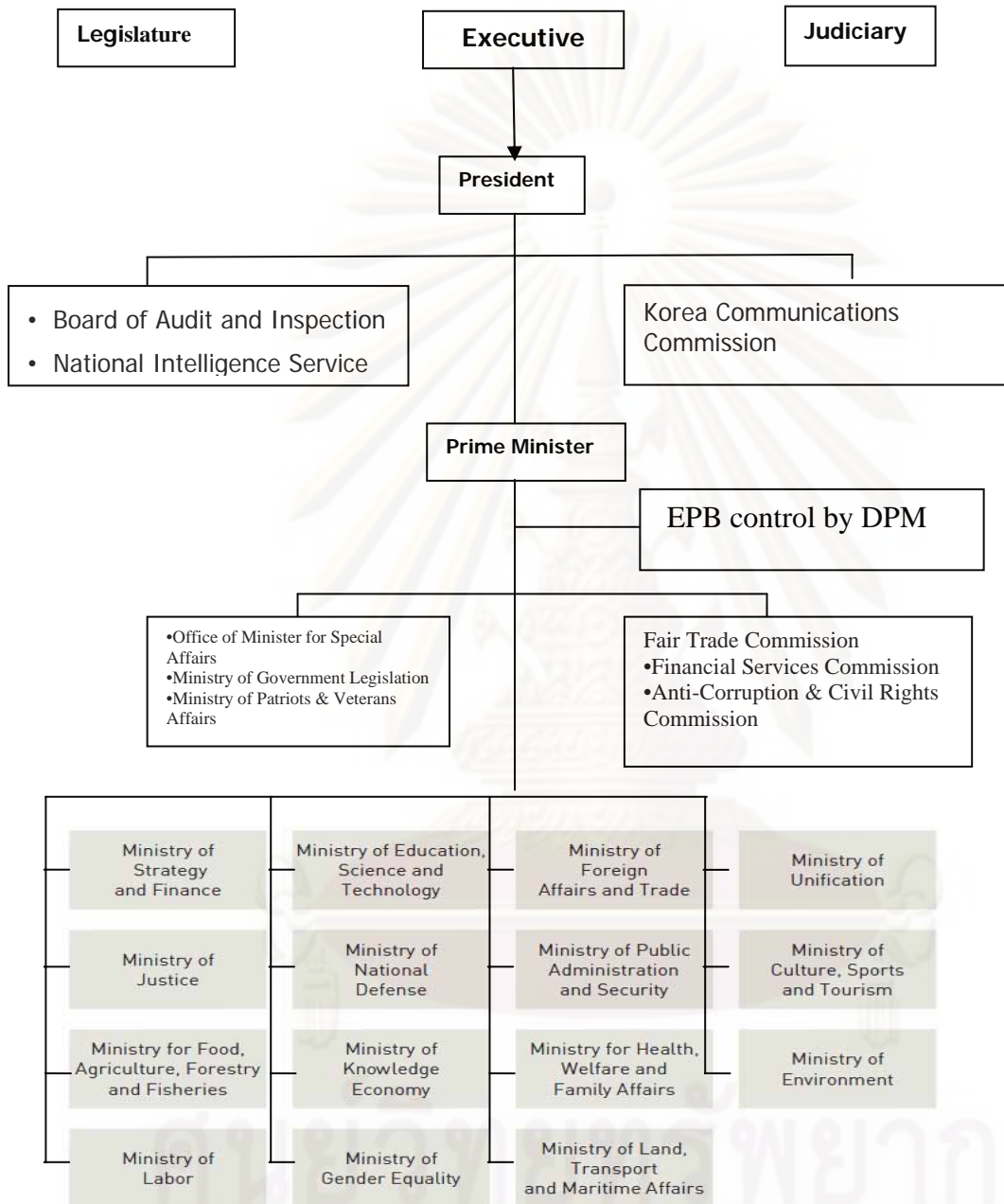
economic advisor, the principal government spokesman on the economic policy, and the economic policy team leader. Investigating how and why the EPB, which was created later than other economic ministries and which has been autonomous in the sense that it has not been closely identified with any major societal groups, has come to play a dominant role illuminates the peculiarity of the economic policy-making process in South Korea.

The EPB was created in July 1961, immediately after the military coup led by the late President Park Chung Hee. The establishment of the EPB symbolized the military government's resolve to give top priority to economic development and its commitment to a systematic and sustained pursuit of long-term economic development plans. It took over comprehensive development planning functions and foreign cooperation activities from the Ministry of Construction, which was established only one month earlier by the military junta. The Ministry of Construction was created from the Ministry of Reconstruction(1955~1961). It received a new South Korean name of more progressive connotation, but its internal organization was only slightly modified. Taking cognizance of its implication for foreign aid, closely tied with reconstruction and development projects, the military junta decided to give it an English name: the Ministry of Development.¹² The EPB also absorbed the Bureau of Budget from the Ministry of Finance and the Bureau of Statistics from the Ministry of Home Affairs to facilitate comprehensive planning and to insure effective execution of development programs.

Although the EPB was equipped both with planning(of setting investment priorities) and budget functions(for allocating budget resources, the most important investment resources at the earlier stage of economic development), it faced with many difficulties as the adverse effects of instituting the long-term economic development plan-notably, rising inflation due to high budget deficits to finance public investment programs-mounted. Under these circumstances, the EPB pressed for further strengthening of its mandate and its preeminence in the economic policy-making machinery.

¹² Byung-sun Choi, *The Structure of the Economic Policy-Making Institutions in Korea and the Strategic Role of the Economic Planning Board (EPB)*, p. 4

Chart 2 The authority and policy making of South Korea¹³



To signify the seriousness of the regime's planning efforts, the military government elevated the head of the EPB to a rank of the Deputy Prime Minister

¹³ Interview with Tea kyun,Park, Professor of Korean studies, Seoul National University, 12 January 2010.

(DPM) in December 1963. The head of the EPB had been called Director and he had been a cabinet member.

The change did not go as far as to elevate the hierarchical order of the EPB Minister among economic minister, As a result, the DPM's influence as the economic policy team leader had fluctuated from one DPM to another, depending on the effectiveness of the DPM to use his mandate, the strength of the President's confidence in him, his personal traits and expertise. The Presidents have rarely given the DPM a voice in his economic ministerial assignments.¹⁴ But it endowed the DPM with a formal authority to coordinate a wide range of economic policies for effective execution of economic development plans. Other economic ministers were required to have prior consultation with the DPM when they wanted to initiate major policy proposals. But when their policy proposals did not involve budget expenditures, other economic ministers tended not to undergo the prior consultation process. Although the purpose of creating the title of DPM and endowing the EPB Minister with the new title was to facilitate economic policy coordination, it also increased, potentially, inter ministerial conflicts between the EPB and other ministries in competition for policy leadership.

Based on secure political mandate and its superior capacities to collect and analyze economy-wide information, the EPB has evolved as the leading developmental institution in South Korea. The EPB has proved itself an effective economic agency giving a coherence to a wide variety of developmental policies undertaken by other economic ministries. The EPB's demonstrably successful economic policy management in the earlier period has led the top decision maker to give even broader mandate to the EPB and hold the DPM responsible for the overall economy's performance.

The growing, open-ended, political mandate of the EPB and its ever-growing mission have in turn led the EPB to take many policy initiatives and preemptive moves in a broad range of policy areas normally under the jurisdictions of other economic ministries. Often in alliance with the Blue House(President's Executive Office) economic secretariat, the EPB has propounded new policy ideas,

¹⁴ Ibid., p. 5

initiated new policy proposals, and pressured other economic ministries to take subsequent necessary steps.

The EPB's tendency to cut into domains of other economic agencies frequently entailed jurisdictional conflicts over policy leadership. The EPB's attempts at accelerating financial sector liberalization and import liberalization in the 1980s, for example, intensified jurisdictional conflicts between the EPB and the Ministries of Finance(MOF), Commerce and Industry(MCI), and Agriculture and Fisheries, which resisted such economic policy reforms. To a considerable degree, jurisdictional conflicts have been deliberately encouraged by the Presidents. As long as the EPB has tended to be at arm's length with business and other societal interest groups, the Presidents could effectively insure their important policy decisions against the parochial interests which other economic ministries tended to represent.

2.2 Mechanisms of Conflict Resolution¹⁵

The asymmetry in institutional mandates, resources, and capacities between the EPB and other economic ministries responsible for implementing policies has led these agencies increasingly to engage in mutual adjustment. The pattern of resolving conflicts between the agencies have taken many forms. Most importantly, the EPB has tried to strengthen its policy leadership and the nexus between its policy initiatives and other economic ministries subsequent policy actions by creating many formal policy coordination forums such as the Economic Ministers' Consultation Meeting(EMCM) and the Industrial Policy Deliberation Council(IPDC) chaired by the DPM. The EPB has sought to maintain its traditional means of control: planning and budgeting. The EPB's many attempts at strengthening policy review by introducing new budgeting systems such as the planning programming budgeting system(PPBS) and, to a certain extent, the zero-base budgeting, and instituting annual economic management plans were the manifestations of the EPB's continuous struggle for preeminence over economic policy making.

The pattern of resolving conflicts has also depended crucially on the institutional capacities of other economic ministries responsible for implementing

¹⁵ Ibid., p. 6

development programs. Some agencies such as the MCI have demonstrated their capability to infuse their concerns into the policy initiatives taken by the EPB or jointly by the EPB and the Blue House. From the perspective of the EPB planners, such institutional resistance was not necessarily a problem. Paradoxically, other ministries capacities to mitigate the radical appearance of the policy initiatives taken by the EPB tended to accord the EPB planners greater freedom in initiating policies, particularly when the EPB took new and bold initiatives, as was the case with economic liberalization measures in the late 1970s and early 1980s.¹⁶

3. Explaining the Relative Power of the Economic Policy-Making Institutions

3.1 The State/Society Linkages and Institutional Flexibility

The characteristics and institutional structure of the EPB has permitted it to assume a preeminent place in economic policy-making in South Korea they are follow;

3.1.1 The difference in the state/society linkages between the EPB and other state agencies not only influences the policy positions and preferences these state agencies take, but it is the crucial determinant of which policy options will be selected

3.1.2 The different scope of mission of the EPB and other state agencies in fulfilling the visions of central decisionmakers(e.g., the preeminent importance of economic development in South Korea's political order) influences the relative power of these state agencies. These two crucial arguments are interrelated. But it is useful to differentiate between them, because they have different policy implications.

The first factor which influences the relative strength of state institutions in the process of economic policy change is the nature of their linkage with society. Unlike other government agencies the EPB is relatively autonomous from any particular groups in society. This institutional autonomy permits the EPB to

¹⁶ Ibid., p. 6

maintain a broader economic policy perspective, provide relatively objective analysis(as opposed to ostensibly partisan analysis as usually done by other ministries),¹⁷ and therefore, render a unique service to the President and to the nation. Without the constraint of parochial institutional interests, the EPB can make to the nation. Without the constraint of parochial institutional interests, the EPB can make “less biased” statements about where the national and public interests lie, and suggest where the economy should be headed.

The institutional autonomy of the EPB should not be construed as indicating its total independence from societal groups, however. What should be emphasized here is the indirect and arm’s length relationship of the EPB with any of the societal group. Two facts contribute to this relationship. First, a broad political mandate of promoting economic development, which has historically been lodged in the EPB, has led the EPB to consider flexibility as important to discharge its institutional mission. To increase and protect its institutional flexibility, the EPB has kept societal interest groups at arm’s length and resisted being identified closely with any of them. Second, as its major developmental takes changed in the process of rapid economic growth, the EPB’s relation to societal groups shifted. In the process of promoting rapid economic growth in the 1960s and the early 1970s, for example, the EPB took a position more favorable to big business interests; and in time of high inflation in the late 1960s and the late 1970s, the EPB took a position protecting the interests of low income class and small and medium-size enterprises. Obviously, it is a rough distinction, since the two economic policy goals-economic growth and inflation-cannot be dealt with in isolation. The shifting positions of the EPB, in turn, deprived it of the basis of constructing an enduring relationship with any major groups of society.

In stark contrast, many operating state agencies in South Korea have major groups of society as their constituents: the MCI serves the interests of business; the Ministry of Agriculture and Fisheries the farm community; the Ministry of Labor the labor groups; and so on. These ministries linkages with their easily identified constituent groups are strong for two reasons, first, the absence or

¹⁷ Ibid., p. 7

weakness of other linkages tended to reinforce the interdependent relationship between these government agencies and their constituent groups. In bureaucratic-authoritarian political regimes such as that of South Korea, political parties (even the ruling party) are not allowed to be deeply involved in the economic policy-making process.¹⁸ As one result, government agencies play a crucial role as intermediaries of the influence of major societal group, such as chaebol (big business groups), labor, and medium and small size enterprises, even chaebol, which the public believe politically powerful, exerts its influence through the government agencies.

A second factor which has strengthened the interrelationship between these agencies and their constituents is strategic: In the politicized market economy, a relatively small change in sectoral policy (e.g., import protection measures) makes a big difference in consequences for the private (as opposed to social) profitability of many economic activities.¹⁹ Therefore, clientele groups have a keen interest in keeping a close relationship with governmental agencies to protect their interests. On the governmental side, as long as their constituent industries embody their institutional goals and visions of legitimate actions, government agencies have every incentive to foster growth of their constituents.

The Difference in the state/society linkage between the EPB and other state agencies has important implications for the ways in which policy preferences and options of societal groups are formed; and the process through which societal groups conflicting policy preferences and options are weighed against each other; and administrative means to carry out policy decisions is selected.

By virtue of its institutional autonomy, the EPB can enjoy a high degree of flexibility, compared to other state agencies. The public presume what the EPB proposes for the economy is in the broad national interest. It is in this capacity that the EPB could set long-term economic policy agenda authoritatively. It is also in this capacity that the EPB could use nationwide economic education programs to build support for its economic stabilization and liberalization policies in the 1980s.

¹⁸Ibid., p. 8

¹⁹ Ibid., p. 9

3.2 Different Scope of Institutional Mission in Fulfilling the Visions of Central Decision makers and Institutional Power

The second factor which influences the relative power of state agencies is the different scope and dimension of mission of the EPB and other state agencies in fulfilling the visions of central decision makers. The EPB has come to have broader political mandate than any other economic institution in South Korea. The EPB embodies a certain vision of the need for coordination of economic development policies as well as has certain capacities to effect than coordination.

Since it was created in 1961 by the military government of Park Chung Hee as an institution undertaking systematic and sustained pursuit of long-term economic development plans, the EPB has continuously expanded its strategic roles. Equipped with planning and budgeting functions, the EPB has proved itself an effective economic agency giving coherence to a wide variety of developmental policies undertaken by other economic ministries. The title of the Deputy Prime Minister(DPM), given to the EPB Minister; the DPM's formal authority which was brought with the title; and the DPM's demonstrably successful coordination of sector policies, in the earlier period of economic development, led the President to centralize ever greater power in the EPB, give a broader madate to the EPB over time, and hold the EPB responsible for the overall economy's performance. The President's repeated practices to hold the DPM ultimately responsible for the economy's performance has in turn led the public, to a considerable degree, to relate the economic conditions to the leadership of the DPM as the economic policy coordinator.²⁰

Since its inception, concern for inflation has become the hallmark of the EPB. Although inflation influences all sectors of the economy, inflation has been only a minor consideration for many other economic ministries. One important exception is the Ministry of Finance(MOF). As the highest monetary authority in South Korea, the MOF has been interest in keeping the value of the money stable. But the target annual growth rate of the money supply has been set in the annual economic management plan which is under the jurisdiction of the EPB. More

²⁰ Ibid., p. 10

importantly, although the money supply is the most important cause of inflation, the rate of inflation can rise for many other reasons, such as structural and sectoral imbalances in supply and demand, changes in consumer tastes, and increases in prices of imported materials, on which the MOF has no control and, therefore, cannot be held responsible. In contrast, the EPB is held responsible for inflation, whatever the causes of inflation. In identifying policy options and weighing their consequences, these ministries have been less concerned with the effects of their policy preferences on other sectors in the economy than with fostering growth of their constituent industries.

Consider the process which led to the adoption of the import liberalization policy in the late 1970s. It illustrates how the institutional vision of central decision makers influences the relative strength of policy preferences and the options which governmental institutions take; and how economic policy makers perceptions of these visions are influenced by their institutions' political mandate and mission. As will be examined in the next section, the bureaucratic politics model of the ignores the influence of the macro political order on the shaping of policy positions by institutions and players.²¹ In the face of the rising inflation in the late 1970s which tended to aggravate the challenges to the *Yushin*/heavy industrialization regime,²² different institutional players developed different policy perspectives. Despite rapid economic growth, escalating inflation rapidly eroded tolerance for income inequality and exacerbated the vulnerable nature of the *Yushin*/heavy industrialization regimes. During a first phase of rapid economic development, even those who are left behind will feel encouraged and will tend to support the existing order for a while because of the hope that their turn will surely come. However, he argues, when that economic progress is restricted to one particular distinct and closed group is perceived by the rest, the political and social tension escalates.²³ President Park believed unflinchingly that despite the escalating inflation, rapid economic growth would sustain the legitimacy of his regime.

²¹ Ibid., p. 11

²² The *Yushin*/heavy industrialization regime has occurred on 12 January 1973, Park declared the government's Heavy Chemical Industrialization Policy(HCIP) that would underpin the state's plan for the Big Push program under the Yusin reform.

²³ David Collier(ed.), The New Authoritarianism(California), p. 63.

Encouraged by his strong commitment to sectoral policies, including the heavy industrialization and many rural projects, many operating ministries continued to pursue parochial sectoral interests, exacerbating the tensions of the *Yushin*/heavy industrialization regime. Concerned about the escalating inflation, the EPB advocated a import liberalization policy.

With its broader economic policy perspective and strong analytical capacities, It should be remembered that EPB has the Bureau of Statistics, the largest of the sort in the nation.²⁴ the EPB realized the significance of the escalating inflation problem. Being autonomus from any societal groups, the EPB had little reason to be constrained by the existing economic policy, which frustrated its efforts to curb inflation. On the two principal tasks or functions of the state-entrepreneurial and reform function in the course of the economic growth process. The EPB's predicament was that inflation was regarded only as the EPB's problem.

Under these circumstances, how did the EPB manage the process to make its policy prescription prevail? The EPB's strategy was to make inflation the President's problem. Lacking any direct connection with any disaffected in society, and lacking direct control over other economic ministries, the only way in which the EPB could make its proposal prevail was to persuade the President and then bring his influence to bear in inducing other economic ministries to go along with the EPB.

In persuading the President, the EPB argued that the adoption of the import liberalization policy would not only help reduce inflationary pressures in the economy, but it would provide a better economic environment for accelerating the heavy industrialization and other sectoral programs, which were persistently on top of the President's policy agenda. The EPB further sought to induce the desired behavior of other ministries indirectly by influencing their clientele groups such as export industries suffering from high inflation. The EPB also used the press to provoke consumer reactions and public opinion calling for some fundamental anti-inflation measures and brought their pressure to bear on other ministries reluctant to cooperate with the EPB. In doing so, the EPB did not reach out these groups. The

²⁴ Byung-sun Choi, The Structure of the Economic Policy-Making Institutions in Korea and the Strategic Role of the Economic Planning Board (EPB)(Seoul, 1987), p. 11.

EPB made statements where the national economic interest lay, thereby defining the parameters within other ministries could protect their constituent groups.

These strategic actions of the EPB not only show that the institutional autonomy and flexibility of the EPB made a difference in shaping policy preferences and options, but that the EPB's broader scope of institutional mission in fulfilling the visions of central decision makers led EPB leaders to have not only broader policy perspectives but the strategic managerial orientation, which provided a unique service to the President. As the above example illustrates, EPB leaders consciously managed their political mandate(at least in the past) by always trying to make the EPB look like the nexus of discussions over overall economic policy and by steering clear of executing responsibilities.

Furthermore, the EPB's organizational culture has been strong and congruent with many of its responsibilities, such as forecasting, budgeting, planning, and Presidential advising. These responsibilities gave the people in the EPB access to great information, various sources of indirect influence, and resources to monitor continuously external, macroeconomic, and microeconomic conditions. Moreover, the EPB's prestige attracted high quality minds with impressive credentials.

Nonetheless, the EPB's high degree of political attuning exhibited some problems. In the early 1970s, when the Yushin/ heavy industrialization regime was instituted, for example, the EPB quickly adapted itself to the top decisionmaker's macropolitical strategy and his visions of economic development(and defense-related industrial development) in South Korea's political order. The EPB could have hardly challenged the top decisionmaker's macropolitical strategy, reflected in the defense-related heavy industrialization, as it was couched in terms of the national security and strategic response to other external threats(e.g., rising protectionism abroad) to the future of South Korean economy. Moreover, President Park's personal interests in these sectoral policies and the mechanisms instituted to facilitate his personal direction of these sectoral policies, such as the Heavy and Chemical Industrialization Planning Council(HCIPC), put the EPB persistently on the defensive during the

1970s. As one result, the EPB's distinctive role as "protector of the national interest" tended to diminish and became tainted.²⁵

By contrast, in the late 1970s, the EPB sought to influence the President's policy choice by stressing the need to adopt an import liberalization policy. But even the EPB's insistence on import liberalization did not produce the desired result. The major change in economic policy to control inflation was made only several months before the assassination of President Park, when he really came to grips with the serious political consequences of escalating inflation, reshuffled the cabinet, and gave the newly appointed Deputy Prime Minister(DPM) a clear mandate to devise comprehensive policy measures to combat inflation. In the 1980s, with the transition in government, the EPB has consolidated its policy prescriptions for a more market-driven politico-economic system, which have been reflected in its continued pursuit of economic stabilization and liberalization policies and strong enforcement of the anti-monopoly and fair-trade regulations.

Obviously, the character of the DPM's in these periods and the economic conditions in each period are important factors determining the degree and direction of political attuning of the EPB. Nonetheless, we can identify a trend. The EPB's influence in Presidential decision-making started to rise during the late 1970s. Since the early 1980s, the EPB's preeminence has become even clearer, as it actively sought to infuse its policy preferences for a more market-driven economic system with the new political leaders who came to power with little knowledge and experience in economics.

3.3 The Macro political Change and the EPB

The Transition in government in 1980, following the assassination of President Park, seems to present a serious challenge to the institutional analysis made thus far which stressed the strategic actions of the EPB in selecting and promoting particular economic Yushin regime, the transition to a new government, and the rise of new political leaders may have dictated a major policy changes in the 1980s. Such a view is not warranted. Although there was a big change in the

²⁵ Ibid., p. 13

political scene, the economic policy changes initiated under the previous political regime maintained a remarkable continuity in the 1980s.

In explaining major economic policy change, state-centric models suggest that policy legacies and economic crisis are important factors in increasing the state autonomy to overcome these challenges. These models focus on the ways in which a government can increase its capacities to affect its distinctive policy preferences.²⁶ In my view, these models are useful in understanding how the state can narrow policy choices, but we still need additional variables to understand why a specific course of economic policy change was chosen and by whom. To explain this, I argue that we have to examine divergent policy preferences among state institutions and state officials, which the state-centric models tend to ignore.

Although the bureaucratic politics model addresses this concern, I have also found it unsatisfactory as a framework for explaining South Korean economic policy reform in the 1980s.²⁷ Its many organizing concepts (such as players in positions, parochial perceptions, political goals and institutional interests, faces of issues, action channels, and so on) provide useful guidance to probe why different players take different positions and actions. But this model neglects the overwhelming importance and constraining effects of the political regime's macro political objectives on the positions which principal players take;²⁸ and of the possibility of changing the variables which the bureaucratic models implicitly assume as given. In the process of South Korea's economic liberalization in the 1980s, the strategic players manned important posts with similar-minded people. They established the Industrial Policy Deliberation Council (IPDC), and they, through the nationwide economic education and economic policy debates in preparation for long-term economic development plans, tried to influence other economic ministries such as the MCI so that they could not advocate parochial institutional interests. The preeminent position of the EPB vis-a-vis other economic ministries in the economic policy-making machinery in South Korea further limited its application to this particular case.

²⁶ Ibid., p. 14

²⁷ Ibid., p. 14

²⁸ Ibid., p. 14

Despite the transition in government and the change in the new military regime's macro political strategy, The new regime wanted to distance itself from the previous one, while manifesting its ability to bring political and economic stability by dealing swiftly and decisively with policy legacies of the Park Chung Hee government: for example, high inflation, high concentration of economic power in the hands of chaebol groups, excessive investments in heavy industries, financial sector entangled with too much regulations and non-performing debts, and retardation of small and medium-size enterprises.²⁹

A crucial factor which influenced the President's selection of the EPB as the institution to carry out the economic policy reform was the EPB's institutional autonomy. The task of correcting the policy legacies of the previous government could not be entrusted with the economic ministries which were a part of these legacies. Over the two decades, ministries such as the MCI and the MOF had deeply intervened in the economy. Of course, the EPB had not been an exception. But in contrast to these ministries, the indirect nature of the EPB's intervention, its institutional autonomy and its consequent flexibility permitted it to break out to these legacies more easily. The key role played by Kim Jae-Ik, the First Economic Secretary to the President, as a link between the President and the EPB, also contributed to the preeminence of the EPB. In a sense, the macro political change incased the value of the EPB's distinctive institutional assets-institutional autonomy and flexibility, rather than dictating a specific set of economic policies.

The second reason for the continuity of the EPB's economic policy reform was the rise of liberal economists in several key economic policy-making positions. When a transition in government takes place, new officials inevitably come in. A more important question is why and how certain similar-minded people came to hold center of the economic policy-making machinery? Two facts stand out: first, Shin Hyon Hwak, the last Deputy Prime Minister(DPM) who served President Park, brought in advocates of economic stabilization and liberalization within the EPB and promoted such group of people in the EPB, who had constituted a minority section within the EPB, to higher ranks. DPM Shin, a bureaucrat-turned politician, clearly

²⁹ Ibid., p. 15

understood that his mandate was to fight against inflation. He knew that his party rallied behind him. The cabinet reshuffle was made in December 1978, right after the National Assembly election, in which the ruling Democratic Republican Party was defeated by the opposition New Democratic Party in popular votes. The major factor which costed this defeat was high inflation.³⁰

By virtue of his political career, he knew how to protect the EPB's policy prescriptions from major societal pressure groups (big businesses and agriculture, for example) by mobilizing support from the environment. He wanted people who could offer him strategic analyses.

Second, Kim Jae-Ik had been sent to the Special Committee for National Security (SCNSM) in May 1980 to serve as its Economics Subcommittee chairman, since he was the leading advocate of economic stabilization in the EPB. Ever since he served General Chun Doo Hwan, Chairman of the SCNSM's Standing Committee, he was the most trusted economic advisor for the President. Later as the First Economic Secretary to President Chun, he exerted a great influence in the Presidential appointments.

4. Structuring Interactive Roles Among Institutions and Institutional Actors

4.1 Defending the EPB's Distinctive Competence and “Institutional Integrity”³¹

In the preceding section, we have identified as the distinctive identity of the EPB the institutional autonomy and the consequent flexibility, its broader scope of mission in fulfilling the visions of central decisionmakers, and the strategic managerial orientation of EPB leaders.

Particularly since the transition in government in 1980, the EPB has anxiously embraced new roles and ever strengthened its economic policy coordinating role. I question the wisdom of centralizing ever greater power in the EPB, particularly its embracing of operating functions.

³⁰ Ibid., p. 16

³¹ Ibid., p. 16

The President and the leaders of the EPB may have learned the wrong lessons from the EPB's achievement of great influence in recent years. Rather than seeing the EPB's growing influence as the result of its strategic analyses and good management of its internal and external environment and its distinctive competence, they may have seen the EPB as generally competent, with respect to anything having to do with economic planning and policy-making.

Some Evidence can be adduced in support of this argument.

Example 1: The secretariat of the International Economic Policy Council (IEPC), which was established in January 1983 as a separate wing of the EPB to effectively coordinate foreign economic policies, represents a good example. The most immediate impetus toward creating the IEPC came with the need to coordinate many foreign economic cooperation issues which were generated by President Chun Doo Hwan's state visits to many countries. Since around 1984, the IEPC secretariat has taken on function of negotiating with foreign government's representatives regarding trade disputes and promoting foreign direct investment. In the course of negotiations in 1985 with the U.S. regarding opening South Korean market in many areas, including both trade and service industries, public discontent and protests, interministerial disputes, and political pressure from the ruling Democratic Justice Party, against the IEPC's relatively accommodating approach continued to build. Under this pressure, the newly approval, the IEPC and restored external negotiating functions to the relevant ministries in early 1986. The negotiation was initiated by American government's unfair trade practice charges(Article 301 of the Trade Act of 1974), in 1985. Protection of intellectual properties, opening life insurance market for the America companies, and imports of agricultural products were the hottest issues. The negotiation had been protracted until 1987, and many of the issues were finally settled by the ministries such as the MOF and the MCI which have restored their negotiating mandate from the EPB. The EPB, however did not abdicate its coordinating role of international economic policy altogether. The IEPC secretariat exists how in its reduced form.

Example 2: The creation and operation of the Industrial Policy Deliberation Council(IPDC), chaired by the DPM, has been also problematic, although it served as a major vehicle through which the EPB has accelerated economic liberalization

process. The creation of the IPDC in 1982 was a clear expression of the EPB's attempt to consolidate its industrial policy leadership within the FPB. The proposed "Industrial Assistance Law," which provided for the establishment of the IEPC, was opposed vehemently by the MOF and the MCI, because they saw this legislation as an evisceration of their legitimate institutional mission and functions. Under strong resistance by these ministries, the FPB's legislation attempt was aborted. After intense turf struggle between the EPB and these ministries, the MCI finalized the "Industry Development Law," and the MOF amended the "Law Regarding the Reduction and Exemption of Taxed" by their own hands.

Example 3: The creation of the Fair Trade Committee and the Office of Fair Trade, the Committee's staff organization, within the EPB is another example. With the transition in government in 1980, anti-monopoly and fair trade regulation has become an economic banner of the "just" society that the new political leadership espoused. The legislation of the Anti-monopoly and Fair Trade Law in 1981 and its enactment signified the new government resolve to regulate chaebol groups monopolistic market practices and to prevent high concentration of economic power. The FPB has actively consolidated fair trade enforcement as Committee should be put under the DPM. At the public hearings on the legislation of the Fair Trade Law, all the participants argued that the Committee should be established as an independent body under the President or the Prime Minister to insure the enactment of the Law against changing economic conditions. The EPB insisted to have the Committee within the EPB as a deliberative, standing committee, and had won the day. The EPB argued that "it is desirable to have the Committee within the EPB in view of the fact that the government has no experience of fair trade enforcement and that it would allow the EPB to secure consistency in seeking industrial structural adjustment.

These examples indicate that the EPB's attempt to concentrate ever greater power within the EPB may have bent over backwards. This tendency must be curbed. The EPB's distinctive competence is not consistent with these operational activities. Increased inter ministerial jurisdictional conflicts aside; they tended to impair the EPB's institutional integrity. The EPB's new operating functions such as negotiations with foreign government and anti-monopoly and fair trade regulations

seem to have damaged the EPB's distinctive identity. The EPB has been criticized for its accommodating approach toward foreign demand to open South Korean markets and for its lukewarm approach toward big businesses in fair trade enforcement. Although it is hard to substantiate such public charges, they are nonetheless important signals indicating that the EPB's distinctive identity and public image suffers.

What should be regarded as the EPB's distinctive competence? What should be the EPB's unique role? As we have analyzed in the preceding section, the EPB's distinctive values competence, and roles flow party from the EPB's autonomy from any societal groups and the consequent institutional flexibility, and its broader institutional mission in fulfilling the visions of the top decisionmaker, and discharging of its mission remarkably well in the past. It should be remembered that the EPB's distinctive identity is a historical resultant.

The distinctive competence, it is important, therefore, not to impair the institutional integrity. The EPE's role should be focused on its central mission: offering "less biased" and "more objective" analysis and advice to the President; and coordinating economic development policies.

In the past two decades. South Korea, as a late developer in its special place in the international economic system, could benefit greatly in terms of economic development from a certain degree of coherence in economic policy-making and implementation.³² No one would doubt the contribution of the EPB in giving coherence to many developmental policies. The EPB performed this role based on its superior analytical capacities. The EPB evaluated the anticipated consequences of alternative economic policy options, identified long-term and short-term economic policy issues and opportunities, and kept the President's policy choice open. From the vantage point of view of the President, these functions were extremely important.

The superiority of the EPB's analyses, in turn, came from its distinctive mission, organizational resources, and its autonomy from societal pressure groups. To preserve the EPB's distinctive competence and valued functions, it would be better not to overload the EPB or lodge in the EPB operating and administrative

³² Ibid., p. 19

functions such as negotiating with foreign governments and enforcing anti-monopoly regulations, which tend to deflect its central mission.

4.2 Maintaining Constructive Inter ministerial Relationship

Another distinctive function of the EPB, which is important from the vantage point of view of the President, has been the coordination of economic policies undertaken by many operating ministries. We have noted that the broad political mandate of the EPB encouraged the EPB's tendency to cut into domains of other economic agencies, which frequently entailed jurisdictional conflicts over policy leadership. For example, the EPB's attempts at accelerating financial sector liberalization and import liberalization in the 1980s intensified jurisdiction conflicts between the EPB and the Ministries of Finance(MOF), Commerce and Industry (MCI), and Agriculture and Fisheries, which resisted such economic policy reform.

But we have also noted that the asymmetry in institutional authority, mandate, resources, competence between the EPB and other economic ministries led them to engage themselves finding compromise solutions which were politically more realistic. Various schemes of mutual adjustment among economic ministries, such as the advance notice system and import monitoring system, which were instituted in the late 1970s, illustrate this point. The EPB's initiatives toward import liberalization pressured other ministries which have authority to implement the policy to come up with their compromise solutions, and they became, in most cases, final policy outcomes.³³

From the perspective of the reform-minded policymakers, other ministries effort to protect their constituent industries was not necessarily problematic, because they could take full advantage of institutional expertise and capacities of other economic ministries to the extent that they threatened their ultimate policy objectives. In view of the uncertainties and risks involved in pursuing economic liberalization, the compromise solutions provided the reform-minded policymakers with politically realistic options.

The ever greater centralization of power in the EPB through incorporating operating functions may stifle this meritorious aspect of South Korea's economic

³³ Ibid., p. 20

decision-making process. Rather than overtaking functions of other ministries, the EPB resolved inter ministerial conflicts through the use of ordinary mechanisms for economic policy coordination, such as the Economic Minister's Conference(EMC) and the Economic Ministers' Consultation Meeting(EMCM), both of which are chaired by the DPM.

Neither the EPB's tendency to proliferate advisory and deliberative committee within the EPB seems warranted. Often, the EPB has justified its establishing many inter ministerial committees within the EPB or under the chairmanship of the DPM, claiming the formal Economic policy leadership of the DPM. But it is nothing but a rhetoric to conceal the EPB's continuous quest for a greater centralization of economic decision-making. Institutional "expansionism" is a widespread phenomenon. In many cases, institutions disguise their expansionism with managerial values, such as efficiency, comprehensiveness, improvement in the division of labor, orderly flow of information, and easier and effective coordination. The quest for ever greater centralization can have far-reaching effects which would outweigh managerial gains. Most importantly, it may endanger the maintenance of desired values and distinctive identity.³⁴ For example, various schemes of mutual adjustment that we have examined in the above were instituted, before the Industrial Policy Deliberation Council came into being.

South Korea has developed effective mechanisms of economic policy coordination such as the EMC and the EMCM. One may argue that the creation of specialized inter ministerial committees may contribute to a greater specialization in identifying, deliberating and assessing alternative policy options, and that it may contribute to increasing the political significance of the specific policy issues. For these reasons, the Presidents have the natural tendency favoring adhococracy. May be true. But proliferating such committees would likely do more harm than good, because increased specialization and diffusion of economic decision-making authority will make integration more difficult. In my view, the proliferation of such inter ministerial committees also tends to relegate the status of the EMC and EMCM to *ad hoc* mechanisms of economic policy coordination.

³⁴ Ibid., p. 21

4.3 The Division of Labor between the DPM and the Presidential Economic Secretary

One particular point to be emphasized in reorganizing the state economic institutions in South Korea is the proper division of labor between the DPM and the Presidential Economic Secretary. The division of labor between these two important players has evolved over time. Nonetheless, we can identify a patterned relationship. First, the broad mandate and perspective of the Presidential Economic Secretary tends to bring him closer to the DPM and the Minister of Finance than to other economic ministers who are subject to their own constituents' parochial interests. Second, the Economic Secretaries have usually come from the upper echelons of the EPB or the MOF since around the early 1970s. When the DPM and the Economic Secretary disagreed, the DPM usually held the economic policy leadership. Based on their formal authority to coordinate economic policy, DPM's in the last two decades have generally maintained economic policy team leadership, despite a considerable variance in how effectively the DPM exercised his power. In his role as an economic policy advocate, the Presidential Secretary's position has rarely varied from that of the DPM. He has tended to buffer the EPB not only from pressures from other ministries, but also from the private sector, political parties, and so on.³⁵

Depending on the President's style of economic policy management and the characters of the DPM and Presidential Economic Secretary, the relative power of these two key economic policymakers has varied: Sometimes, it was the Presidential Secretary, rather than the DPM, who played a leading role. In institutionalizing a liberal economic order, the Presidential Secretary (Kim Jae-Ik) played a crucial role as a policy entrepreneur. It is a clear example of diverging pattern of the division of labor between the DPM and the Presidential Secretary.

No matter how effective and neutral the Presidential Economic Secretary's role as policy advocates would be, this has potential drawbacks. As long as they identify themselves closely with a particular policy alternative, they cannot be expected to seek a wide range of policy alternatives or to take necessary measures

³⁵ Ibid., p. 22

and precautions in dealing with different views and positions. The shortcomings of their taking particular positions may be far greater in a political regime such as that of South Korea, in which other legitimate players (such as key members of the ruling party) than a small number of technocrats in the executive branch have not been regularly invited to participate in the Presidential decision-making process. Moreover, as the Presidential Secretaries' opinion tended to be circumscribed by the President's personal interests, preoccupation, commitment, and beliefs, their other important roles, such as that of the Presidential guardian and policy manager, would be inevitably impaired.

It is very difficult to generalize which pattern would be more desirable in South Korea. The judgement depends on many things; the President's decision-making style, their personal relationship,³⁶ In the sense that each player performance is dependent on others, their close interrelationship tends to be encouraged. But it is important that they reach an explicit agreement on their respective roles by themselves. The Presidential Secretaries have been given lower rank than that of the DPM. It is one way of defining their relationship. But what really counts is in whom the President places more confidence. Their characters, and so on. But it would be prudent to say that the division of labor, which we characterized in the above, should prevail. The role as advocate of particular economic policies should belong to the DPM, who is the President's top economic advisor, the economic policy team leader, and the principal government spokesman on the economic policy. This is the way, in which the features South Korea's economic decision making machinery can be fully exploited.

³⁶ Ibid., p. 23

CHAPTER IV

THE THAILAND'S NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT BOARD (NESDB) AND ITS ROLES

In studying and analyzing planning organizations in Thailand, first we are going to look at the structures of relevant organizations in Thailand as a big picture. It will concern the origin and legal status, forms, together with authority, responsibility and roles of the organizations.

In theory, the administration is divided into 2 parts which are the governmental function and administrative function which is the authority as the government.¹ The prime minister and each minister are the ones that have the power to administrate their ministry or governmental organizations of which they are in control.²

1. Structure, Authority, Responsibility, Roles and Administration of NESDB Thailand

1.1 Planning Organizations in Thailand

According to the responsibility of such administrators, the organizations that are in charge of planning in Thailand can be divided into 2 levels. The primary organizations that regulate policies and political strategies such as the cabinet are in control of regulating and authorizing the policies concerning economic planning strategies in the national. The secondary organizations are regular planning organizations which are responsible for turning the plans the cabinet has made into a practical stimulation. The organizations consist of central agencies such as National Economic and Social Development Board(NESDB) which is a central planning

¹ Amorn Jansomboon, Administrative Laws, Print No. 10 (Bangkok: Thai alphabet Publishing, 2530), p. 45.

² Prayoon Karnjanadun, Commentary Administrative Law(Bangkok: University of Chulalongkorn University Press), pp. 16-17.

agency, as well as the Bureau of the Budget, Fiscal Policy Office, Bank of Thailand and Office of the Civil Service Commission. Besides, there are also normal planning organizations in the line agency or implementing unit in ministries, departments, offices and state enterprises which will be stated furthermore in the next topics.

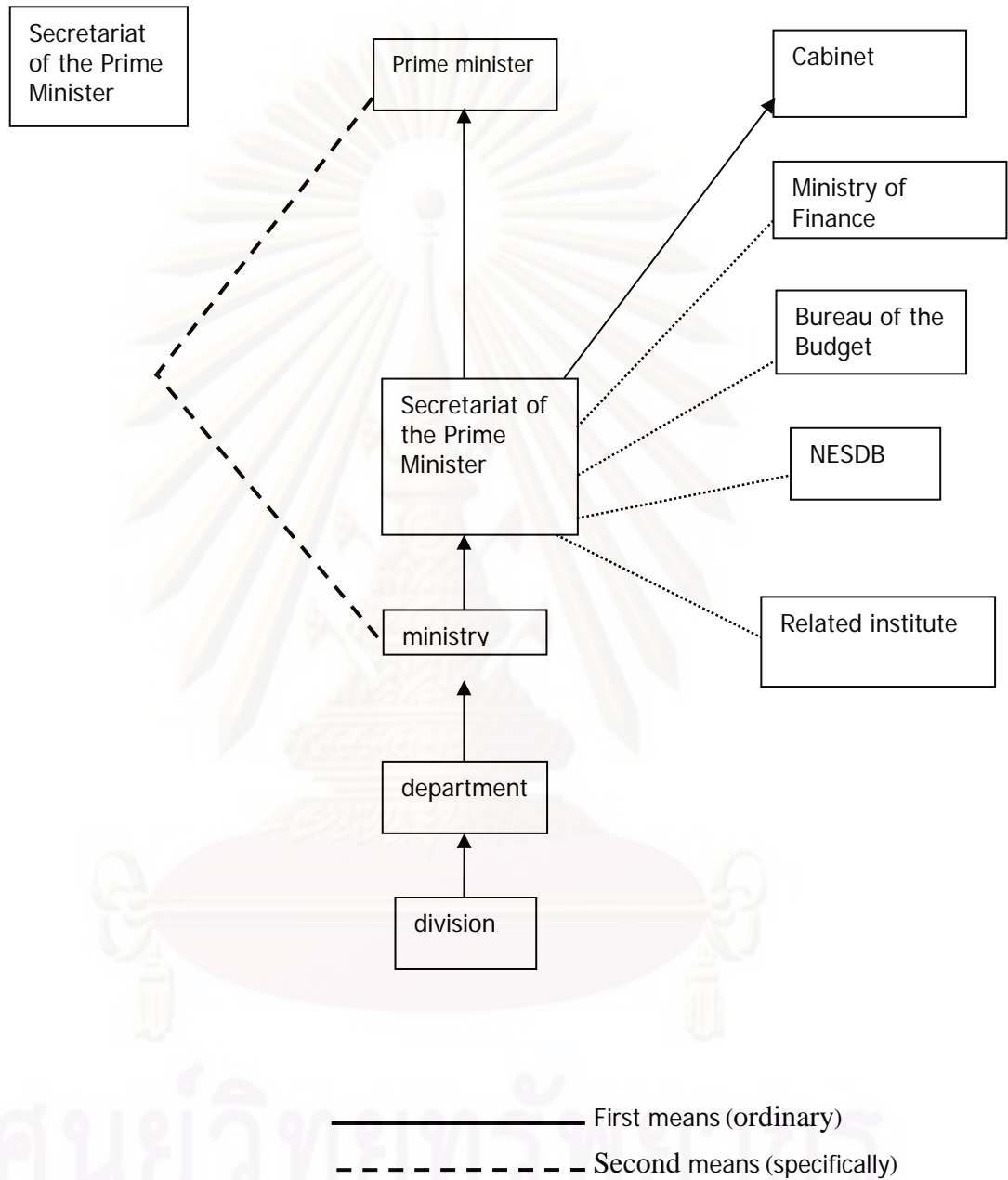
1.2 The Planning organization setting the political policies: Cabinet

The authority of the cabinet in administrating the national affairs according to the Constitution.

According to the National Economic and Social Development Act issued in 1978 currently used, it is stated that the power to make plans for national economic and social development belongs to the NESDB and NESDC and it will have to propose the plans for the Cabinet to approve before issuing them in the future. However, before the Offices which are central planning agencies make each plan, it is necessary that they collect and co-operate each policy the Cabinet and the Committee of national policies in each matter have turned into the development plans.

The Thai financial, budgetary administration and the national economic and social development had been greatly reformed in 1959 since the separation of the budgetary sector from the Ministry of Finance and become to be the Budget Bureau in the office of the Prime Minister(at the same time of establishing the National Economic and Social Development Board in the office of the Prime Minister). After that time, the office of the Prime Minister has been recognized for several times, just now, there are about 18 departments in the office of the Prime Minister. These departments' duty concentrates mostly on the "staff" of the Cabinet and they have significant role as the expert who give advice, information etc. for the cabinet.

Chart 3 showing the process of Cabinet for consideration in projects³



³ Samart Puangpetra, “The role of the ministry of finance, the budget bureau and the national economic and social development board in the cabinet’s program administration” (Master dissertation, Department of Government, Graduate School, Chulalongkorn University, 1978)

About the cabinet's program administration, since the rise of the Budget Bureau and the National Economic and social development board in the office of the prime minister, the budget of the government has been divided into 2 parts, first, "Development Budget," and the other "Non-Development budget". The development budget, at the process of approving by the cabinet, must be first considered by the Ministry of Finance, the Budget Bureau and the National Economic and social development board who coordinate together in the form of national economic and social planning, the budget allocation and the financial policy-making. These three departments have significant role in the cabinet program administration nearly 20 years, through the three national economic and social development plans, and now in the period of the fourth national economic and social development plan(1977-1981). The development in the first NEDP and at the beginning of the second NEDP was mostly successful, but after the final period of the second NEDP, the trend of development always get down because of the problems in country(about the climate and political change) and from abroad(the world economic depression).

It indicates that these three staffs have significant role in the cabinet program administration as being the conscious units which consider programs just from the beginning process, selection, negotiation and approval etc. to the program evaluation. From the past to present, these three staffs have well coordinated in this work, but there are still many problems such as the problem about the structure of organization, about the coordination and the serious problem; the political change which is the cause of the other problems. These problems must be solved quickly in order to improve the government's administration.⁴

⁴ Samart Puangpetra, "The role of the ministry of finance, the budget bureau and the national economic and social development board in the cabinet's program administration" (Master dissertation, Department of Government, Graduate School, Chulalongkorn University, 1978)

1.3 The Planning organization setting the economic policies: National economic and social development board(NESDB) Structure of the office of NESDB.

Foundation of the NESDB⁵, Early attempts at development planning in Thailand started in 1950 when the National Economic Council(NEC) was established to undertake economic studies, and to advise the Thai Government on general financial and economic matters. The Council consisted of no more than 20 members, according to the Cabinet's recommendation, and was chaired by the Prime Minister. The Council divided work into 5 sectors: agriculture, finance, commerce, industry, and communication. The NEC was responsible in appointing members for each sector under the responsibility of the Secretary- General.

To correct the shortcomings resulting from lack of clear and comprehensive national objective the World Bank was requested by the Government to send a mission to Thailand. The mission arrived in 1957 to study the economic situation of the country and to provide recommendations in the establishment of the national economic planning system. The Bank recommended the setting up of a central planning agency to make a continuing study of the nation's economy, and to draw up plans for its development.

Following the World Bank's recommendation, the National Economic Development Board(NEDB) was established in 1959, the name was changed to the National Economic and Social Development Board(NESDB) in 1972 to emphasize the importance of social development in the development process. The NESDB is an essential central planning agency which undertakes a continuing study of the Kingdom's economy, and draws up plans for its development. Since its inception, the NESDB has already completed 10 Development Plans.

The NESDB was established in 1959. Being the central planning authority of Thailand, the NESDB is responsible for the formulation of the National Economic and Social Development Plans.

The broad scope of work of the NESDB is as follows:

Formulate five-year plans and annual development plans.

⁵ National Economic and Social Development Board, The new era of development in Thailand : NESDB and its role(Bangkok: National Economic and Social Development Board, Office of the Prime Minister(Mimeographed)), p. 1.

Study, analyze, and recommend solutions of development problems, and identify development opportunities.

Appraise development projects before implementation in line with the National Plan.

Coordinate the implementation of development programs and projects in accordance with the declared policies in the plan.

Monitor and evaluated development programs and projects.

Development communication.

1960s-1980s Secretaries-General of the NESDB

Mr. Sunthorn Hongladarom (1950-1956)

Mr.Chalong Pungtrakul (1956-1963)

Mr.Prayad Buranasiri (1963-1970)

Mr.Renue Suwansith (1970-1974)

Dr. Snoh Unakul (1974-1975)

Mr. Krit Sombatsiri (1975-1980)

Dr. Snoh Unakul (1980-1989)

According to the latest National Economic and Social Development Act of 1978, the main responsibilities of the NESDB are as follows:

Analyzing and studying economic situation for presentation to the National Economic and Social Development Committee(NESDC) and recommending economic development and stabilization policies.

Appraising and coordinating the economic development objects of government agencies and state enterprises, and setting the overall economic development policy and coordination the existing national resources and priorities.

Studying the financial availability and resource potential in order to recommend to the NESDC.

Coordinating with the government agencies and state enterprises in the preparation of development programs and projects for the annual development budget, foreign loans and other sources for finance.

Investigating requested expenses for the maintenance of fixed assets which are used in development, and recommending adjustments if necessary.

Considering and coordinating requests for foreign grants and loans of government agencies and state enterprises, and recommending additional assistance if necessary.

Evaluating and monitoring the implementation of economic and social development projects of government agencies and state enterprises.

Recommending suitable economic development strategies to the NESDC.

Any other activities which are specified by the National Economic and Social Development Act of 1978.

The public affairs sector structure of NESDB from 1960s–1980s had been through the restructuring process for ten times. In these ten change-striking incidents, only three caused major concerns to the organization; which are the renovation of public affairs sector structure in 1967, 1975 and 1985. The major causes of this changes being;

1.3.1 From February 15, 1950 to July 4, 1959, the office of NESDB divided the public affairs sector into two sections; One being the Office of administrative affairs and economic affairs with four supervising departments. The other being the office of central statistics with five departments under supervision.

1.3.2 From September 6, 1959 to October 22, 1962, the office of NESDB divided its public affairs sector into three sectors and one special division. The economic development planning sector comprised of 2 divisions under supervision. In the National Income sector, there were three divisions. Under the office of central statistics, there were five divisions and finally the economic cooperation and foreign academic affairs division.

1.3.3 From October 23, 1961 to May 22, 1962, the office of NESDB divided its public affairs sector into four sectors and one division; the economic development planning sector with three divisions under supervision, the National Income sector with three divisions under supervision, the office of central statistics with nine divisions under supervision, the office of economic cooperation and foreign academic affairs with seven divisions under supervision. The office of secretariat and three more independent divisions were also included under the supervision of at the time.

1.3.4 From May 23, 1961 to March 14, 1965, the office of NESDB divided its public affairs sector into two sectors and one division; the economic development planning sector with eight branches under supervision, The office of secretariat and three more independent divisions with the Department of Technical and Economic Cooperation separated as DTEC which is under the national development ministry and the central statistics office being separated as the national office of statistics with an official status as a department under the supervision of the Prime Minister.

1.3.5 From March 15, 1965 to August 31, 1967, the office of NESDB There was a change in the dividing system if the new public sector by cancelling the “section” level and alleviate their status to department under the office of the NESDB and restructure the public sector into ten divisions.

1.3.6 From September 1, 1967 to February 19, 1975, the office of NESDB added one more prepared economic division due to the increased assignment on national integrity as a special case. (Appendix A)

1.3.7 From February 20, 1975 to November 22, 1978, the restructuring was conducted to go in line with the change in the office of NESDB, dividing the public sector into eleven divisions. (Appendix B)

1.3.8 From November 23, 1978 to August 29, 1981, the office of NESDB was assigned the mission to conduct actions to follow changes in economic and social structure of the country and divided the public sector by adding two more divisions into the office; the urban development project and the planning division preparing for the economic and social integrity. (Appendix C)

1.3.9 From August 30, 1981 to April 22, 1985, the office of NESDB was assigned the responsibility to draft plans and projects with a systemic blend with a systemic follow up process according to the plan/There was additional division of public sector as another division called the analyzing and coordinating center for plan implementation, with a total number of divisions in NESDB to 13 divisions. (Appendix D)

1.3.10 From April 23, 1985 until now ; The main reason why NESDB needed the restructuring and dividing the public affairs sector being that the level of development and economic and social structure of the nation had changed

considerably within the past twenty years and would need to adjust itself into being the newly industrialized country that needs the adjustment of the plan to collaborate with the changes such as indicating the specific area to develop cooperation between the public and private sector, the long-term prospective cooperative plan in certain areas such as energy issues and other resources for instance.

Considering from the aforementioned, the office needed to be restructured with different public affairs office structure with a little different pattern than the one proposed by the office of NESDB; from nine divisions four centers to eight divisions five centers with an advice to NESDB that as a national level organization, with the highest mission of making national plans, it should adapt its roles to go in line with the level of development and keep up with the changing economic and social structural changes by emphasizing on collaborative planning in each field to expand its parameter to cover the development in all sides together with coordination and other projects of ministries, divisions and subdivisions etc, to coincide with the existing limitation of roles and responsibilities.(Appendix E)

1.4 The Authority and role of the office of the NESDB by Act.

The Act stating administering national economic and social development affairs has been constantly revised from 1959 until today with the proclamation of totally four national economic and social development acts, the four respective editions issued in four years; 1959, 1960, 1966, 1978.

1.5 The national economic development council act 1959

The main reason in legitimizing this Act is the ultimate agreement to establish the national development council to indicate policies which will bring the nation to stability and economic development as the aim set within the plan and establish coordination among development projects of ministries, government divisions and agencies of the public sector to achieve the set goals with the arrangement and support from the national economic development council in preparing academic information, studying the economic situation, research into national resources status and seeking resources for investment up until the survey in following up the performance of each project

1.6 The national economic development council act 1960(2nd edition)

This act was initiated to impose the duty of the national council and the office of national economic development to suit the situation even better. This brought about the necessity to revise the 1959 act to cancel the power of national economic council. According to measure 13, regarding proposing for the expense in the legitimacy with the national budget for the activities stated in Section 12(4) can only be conducted with unanimous approval of the national economic development council was cancelled as per article 5 of the national economic development council act edition 2, 1960.

1.7 The national economic development council act 1966(3rd edition)

The main reason of issuing this third edition is due to the authority and duty of the administrative committee. The national economic development council, as imposed by law, needed close cooperation and coordination with the public sector and related organization, especially the bank of Thailand, the office of budgeting, the office of public affairs. Such need in action brought about three more additional positions. Moreover, in considering economic problem and national economic development planning, these are considered genuine academic problems. Apart from this, the prolonged period of remaining in position of the committee chairman of the national economic planning administrative committee was also proposed to suit the necessity with the addition of section 5 and 6.

1.8 The national economic development council act 1978

The main reason in announcing the use of this act is seeing that it is time to revise the regulation enacted by the economic development committee to suit the current economic and social development that was needed at the time. The enacted act widened the range of responsibility and duties of NESDC and the office of NESDB and clarified the meaning compared with the 1978 national economic and social development act article 6(1)–(4), that is, instead of being an advisory agency which needed to wait for the assignment from the cabinet as a decision making body, as written in section 6 of the 1978 national economic development council. It can be obviously seen from (1), (2), (3), (4), that all cases were allowed to be submitted directly for the cabinet consideration or coordination without waiting for the cabinet assignment.

The office of the NESDB according to the 1978 Act, has set the limitation of the office as can be categorized into two categories,

The main duty; Most of the tasks are the mid-term and long-term planning including the continuous plan, as can be broken into the following points;

1) To survey, study and analyze the economic and social situation of the country and utilize the acquired data in setting policies and measures and implementation of the plan as in article 12 (1) (10)

2) To set up economic and social plans in all levels; middle, or long term, as in article 4 (4) and 12 (2) (3) (7)

3) To consider the action plan and development projects of the ministry, department, section or public sector to go in line with the objectives, goals and development guidelines as well as workforce resources of the country according to article 12 (2) (7) especially in analyzing and evaluating the compatibility of the development project.

4) To follow up plan and project implementation including the performance evaluation and development projects of ministry, department, section or public sector in the equal status and state enterprises as in article 12 (8), 14 and 16

5) To consider proposing the opinions in budgeting and annual spending as another part of consideration of the cabinet as in article 12 (4) (5) (6) which can be adapted into the guideline of action plan based budgeting.

Ad hoc duty which most of the duties are related to suggesting policies and solution to the short term problems as follow;

1) To advise and give opinions regarding the economic and social development according to the cabinet or the Prime Minister's assignment as in article 6 (3) and 12 (11)

2) To study and analyze short-term economic and social condition according to article 12 (9). Nevertheless, the office need to present the suggestion, advice and opinions about conducting tasks in charge to the committee to make further proposal to submit to the cabinet so forth.

As in article 14, the legitimacy authorized the office to call for cooperation and compliance from the ministry, department, section or public sectors with equal status and state enterprise.

Moreover, according to act 16, the office is authorized to invite an individual to give fact, explanation, opinions or advice as seen appropriate for the occasion. The office functions as a political section, remains in a status of a department under the office of the Prime Minister with the supervision of secretariat committee of the national economic and social development committee to operate under the assignment. The committee which nominate cabinet remain in position for four years. The committee which are due can be renominated as the committee in the next cabinet.

The function of the committee as written in article 6 are shown as follow;

- 1) Advise and give opinions relating to the economic and social development to the cabinet
- 2) Consider the national economic and social development plan with other proposals from the office and submit the proposal to the cabinet
- 3) Submit the opinion to the Prime Minister in case of economic and social development cases that are assigned by the Prime Minister
- 4) Arrange coordination between the office and the public sector and related state enterprises in making action plans and development projects and the implementation
- 5) According to article 13, the committee still hold the duty to consider the project or action plan to the ministry, department, section or other public sector within the same level and the state enterprise to give opinions to the budgeting and spending arrangement to go in line with the annual budget or the additional acts of the annual budget
- 6) According to article 16 and 17, it was written that the committee is authorized to invite an individual to give facts, explanation, opinions or advice, including the power to nominate a committee to consider or operate in a way as assigned by the cabinet.

1.4 The Office of the NESDB

The Secretary-General is the head of the NESDB's Office who works as the secretariat of the National Economic and Social Development Committee to supply data and submit drafted National Economic and Social Development Plans for consideration. Sometimes the Cabinet assigns work directly to the Office of the

NESDB through the Secretary-General who is invited to participate in the Cabinet meeting. The structure of the NESDB can be summarized as following chart.

1.5 The National Economic and Social Development Committee(NESDC)

This committee is chaired by a senior and outstanding economist, and comprises the Governor of the Bank of Thailand, Secretary-General of Civil Service Commission, Director of the Bureau of the Budget, Director-General of the Fiscal Policy Office, Secretary-General of NESDB, and no more than 9 members appointed by the Cabinet. The National Economic and Social Development Committee has authority to supervise the work of the NESDB, and to recommend suitable economic and social development strategies to the Cabinet. This committee also has the responsibility of screening and deliberating on various plans, programs, projects and policies submitted by the NESDB office and make recommendations to the Cabinet.⁶

1.6 The relations between the committee and the office of the NESDB

The national economic and social act 1978 article 12 was written that it is the duty of the office of NESDB while the committee only has the right to control the operation of activities defined in article 12. The committee does not have the right to perform administrative affairs for the office, for instance, nominating or dismissing the recruitment of personnel into the agency, considering the compensation and benefits, etc. Therefore, all affairs conducted that can be categorized under article 12 must be submitted to the committee for approval before submitting to the cabinet.

2. Summary of case studies of problems occurring in the office

The office is regarded as the central agency for the government with an important role in suggesting economic policies, collaborative plan and coordinating projects in all fiends including following up the performance evaluation according to the objectives set by the development plan. The role of the office had changed through the always changing condition of development in economy, society and politics of the country.

The role of the office, especially in the initial stage, in the time covered by the 1st development plan(1961–1966) and the 2nd development plan(1967–1971) which aimed at “collaborative growth oriented economy” development which appeared to have achieved the set targets in a satisfying level because the role of development of the state went on in a simple structure, that is, the primary service section expansion was needed to contribute to the production in other sectors. Moreover, the condition of the economy, foreign affairs and the internal affairs would contribute to the continuity of the economic policy and projects.

Further on in the development plan 3(1962–1966) and development plan 4 (1967–1971), when the situation was considered a “crisis” especially at the beginning of 1963, the era of reconstruction of economy and politics of the world and within the country, the change put a real impact on the role of the office. The era was the crisis of the office as aforementioned that many problems occurred at the time, for instance, the international monetary affairs, the oil crisis, inflation and the economic recession everywhere in the world. The problems coincided with the trade deficit in Thailand, drought and flood etc. In the Indo-Chinese region, the major changes also occurred which directed the government’s interest to finding solution out of the short-term problems, deterring them from focusing mainly on the long-term problems.

Moreover, frequent changes in the government and political leaders discontinued the effectiveness of the policy and distrust the government, which are obstacles to prioritizing the importance of policies and projects. Within the office itself, there were the change of power of 3 high level executives, which eroded the potential and loyalty of the civil servants and personnel in the office.

The main goal of the development in plan 4 was finding solution to the economic gap and poverty. When the economic and social situation changed, the role of the office was also adjusted to suit the current situation as elaborated below

In the development plan 5, the economic and social development was regarded as the highest goal of the government. In the past, the government paid less interest to the issue to the development such as in development plan 4, the

⁶ Tinapan Nakata, Improving management of the Office of the National Economic and Social Development,1987. (Mimeographed)

compliance to the plan was less than the current plan and when first proposed, there were less feedback from all sides. In the era, the office of secretariat was not included in the cabinet meeting while in plan 4, the government paid much more interest in the development and solution finding but within very brief period of time. The office tried to be more specific in trouble-shooting, giving consultation and advice and serve as the secretary of national level committees. The tasks were time-consuming and workforce wasting in some parts. When the goal is achieved, there were concerns on activating and implementing with other agencies which was not conducted in a full range. Such problem sent the office to the position of playing a superior role in the later stages.

Besides the role of the office, which will be changed depending on the economic social and political development situation as follow; Apart from the changing roles of the office to cope with the changing situation in economic, social and political trends of the society, the eminent role of the office also depends on other factors

First, the “leadership” of the secretariat, equipped with competency and loyalty and being acceptable to a wider range of circles to be trustworthy to the government and international monetary fund and being an executive who is competent of brainstorming and encompassing the high-potential and high-resolution planners to take part in the operation such as in the development plan 4 and 2 will be able to initiate new projects in various fields of development.

Second, the vision of the government in seeing the office as the “Think tank” of the country, which is equipped with high profile academic personnel and pragmatic experts. Such difference differ the office from other agencies that specify their competence to have only thinkers, who do not take real action, or the doers who take actions to achieve results with no concerns on procedures. One advantage of NESDB is, being a non-implementing agency which leaves enough time to assist the government with adhoc solution instead of staying put with their own main duties.

Third, the office is used as the tool for the government in case they need to freeze projects that encounter conflicts in agreeing the resources usage in case the government does not have enough reasons to refuse those projects by itself. Using

the office could be a way to enhance the power of refusal to seem more reasonable with the consideration from the committee.

Fourth, in the later stages, it is noticeable that the extent of interest to perform any activities through the office also depends on where the government leaders come from. For example, in case the head of the government do not come from elected parties but used to be permanent civil servants in their past lives, it is highly potential that they need to rely greatly on the technocrats from the office due to the trust gained through previous working experiences but in case the head of the government comes from political parties, the potential to cooperate with the office seem less possible, as can be seen in the period of M.R. Kukrit Pramoj.

The pros of playing many key roles in ad hoc affairs would be that the office can show more eminent roles to seek cooperation in working with other agencies, especially, in following up and performance evaluation of the action plans. The cons are that mostly, the office is seen as having too much authority in conducting all activities.

In this stage, there are many conflicts in finding solution to the short-term problems. This is due to the economic turmoil all over the world such as the over balance budgeting and finance. The fact that most resources were pulled towards the ad hoc affairs lessen the agility in planning the development plan, as can be seen in the implementation of plan 5 that the result was less seem in concrete result. When starting Plan 6, the previous group of personnel was drawn on to the new plan which caused the doldrums in the action process.

The case where the crisis of having too eminent role of the office happened was the conflict between the office and the cooperating agencies. Moreover, in analyzing and filtering the projects sent from the under-secretary of each ministry, if the under-secretary were well-parted with the ministers who are in charge of political policies, problems were obviously less compared with the one with internal conflicts. In case the issue was proposed without any consensus from the minister, finally the project will fall under the supervision of the office and become the team leader of that ministry. Nevertheless, such problems had been finally solved with a solution from the cabinet agenda on September 30, 1986 which imposed the ministry to have

the highest authority in signing approval for the project and then send to the office consideration afterwards, not the under-secretary signature.

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The role in ad hoc tasks and short-term solution finding were designated from external factors as in government policy despite the fact that the filtering function should be reduced because there are other expertise organizations who can do a better job on this and possession more resources such as the ministry of finance, the bank of Thailand, and the ministry of commerce with NESDB functioning as a coordinating agent. When the office is too multi-functioning, it is simple to say that their focus is misdirected. Therefore, technical study was needed in each individual detail as had been conducted in case of urban development especially in rural areas.

Thus, maintaining the appropriate balance between the role in the long run and the short term is the main responsibility that the office needs to review, pointing the importance to the main task and less weight to less important tasks or ad hoc responsibilities or choosing to take only the necessary ones. Even it should be accepted that the short-term tasks would impact the long-term project, that is, there must be a set framework of what the task should comprise of and designate the right resources for the activities before every activity is mixed up together in a chaos. The most important thing is the right role of the office should be regarded as the main policy of the government better than depending on the Prime Minister only.

In other words, the government should define the clear policy of which roles the office should be having as revised in the cabinet meeting agenda which is emphasizing the roles in administering long term economic plans especially making the main plan and the preparation plan to solve problems, having the office as the main agent in coordinating with other agencies rather than having the related roles to the tasks that the agencies are capable of such as being the secretariat of national committees such as the case of the economic committee of the minister and **กรอ.**, for instance.

From what was cited above, it can be obviously seen that from the report of the ad hoc subcommittee regarding the functions of the office can be analyzed as follow;

According to the function of the office, even it is written that economic and social should be analyzed to propose policies and measures in solving economic and social problems in a short term, the main task of the office is mid-term economic and social development plan. Considering the appropriateness of the development plan of the ministry, department, division and state enterprises as a routine task and continuously implemented, together with suggesting the policy and measures for solution in the past stages within the limitation. The office had a change to participate in suggesting with the authorities taking part in economic ministries or advisory committees or specific committees which are nominated for a specific purpose.

Nevertheless, according to the national economic and social development act 1978 as currently in action, even the important issues have been

covered in a proper manner, some tasks which are in action by the office operation have not been defined clearly

The office should be given the authority to perform in 3 main functions; First, planning economic and social development in all levels both in mid-term and long-term, Second, analyzing and evaluating compatibility of the development project and third, following up and evaluating the performance of the plans. Thus, the performance of the office need to be complete, all-rounded and all-circled in planning and coordinating fir the operation of the agency as planned and the follow up and evaluation of the plan, especially for the third task, still remains the weak point nowadays and so important that it needs improvement and revision.



ศูนย์วิจัยทรัพยากร
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER V

COMPARISON OF STRUCTURES, AUTHORITIES, ROLES, RESPONSIBILITIES AND ADMINISTRATION OF THE PLANNING ORGANIZATIONS OF BOTH COUNTRIES

1. The Changing Conditions and Situation which Affects the Operation Between NESDB and EPB (Using SWOT Analysis) During 1960s–1980s

1.1 The Changing Conditions and Situation which Affects the Operation of
NESDBs

1.1.1 International factors actuating the effects on adjustment of
NESDB roles in planning the country's policy

1.1.1.1 Moving the industry from foreign countries to
Thailand, The financial investment from abroad, economic support and financial aid
from the U.S. the cold war, the end of American War in Vietnam, First Oil Shock,
October Uprising, 1975. The Communist's victory over the Indo-Chinese countries,
Second Oil Shock, From Gloom to brightness.

1.1.1.2 The democratic tide of the world community that
signifies the participation of the people in imposing the country's policy making.
When the public sector strengthens, it put more pressure to the country and pushed
the country to adapt and review the development paradigms to go in line with the
outgoing trend of the world. Therefore, all sectors were forced to perform a better
management strategy at the time.

2. Domestic Factors within the Country Affecting the Change in Mission of NESDB are

2.1 The change of NESDB ACT 1959, 1960, 1966, 1978 which aimed to
adjust the mission and structure of public sectors for the better service, appropriate
sized and higher agility.

2.2 The lack of stability in political sector. The frequent change of cabinet resulted in changes of national policies.

2.3 The increased workload and overload of urgent burdens that need the ad hoc committee's action.

2.4 The lack of literate personnel in the field.

2.5 The expectation of many sectors in the society towards NESDB, which was intended to be a neutral agency with academic strength, free from political domination, equipped with the sense of social responsibility.

3. Reviews of Organizational Analysis Through SWOT Analysis

Instrumentation of NESDB Shows That NESDB Has The Following Strengths and Weaknesses

3.1 S = Strength

NESDB holds good relationship and coordination with all stake holders.

3.1.2 The personnel are professionals who possess various literacy and professionalism which outstands other organizations.

3.1.3 The government signifies the importance of the organization as a neutral organization.

3.1.4 The open organizational culture allows the authorities to have academic freedom.

3.1.5 NESDB is highly recognized and trusted in national policy planning.

3.2 W = Weakness

3.2.1 The personnel administration system is resistant to changes.

3.2.2 NESDB lacks prioritizing competency in work orders.

3.2.3 R&D of NESDB still ranks low and does not contribute to changing into a learning community.

3.2.4 There is no innovation and supportive mechanics in its horizontal line of operation.

3.2.5 Is a neutral organization that lack autocratic decision power.

3.2.6 The higher level of planning organization lacks legislative facet of authority.

3.2.7 The government lack ideas and lags agility in operation.

3.3 O=Opportunity

3.3.1 Important mission assigned from the government gives NESDB more roles.

3.3.2 The result-oriented public administration grant a chance for NESDB to improve its organization.

3.3.3 Both international and domestic agencies are ready to recognize and cooperate with NESDB.

3.4 T=Threat

3.4.1 The political instability creates discontinuity of policy implementation.

3.4.2 The over workload that outnumbers the personnel available.

3.4.3 Lack of linkages with related agencies.

4. Domestic Factors within the Country affecting the Change in Mission of EPB are

4.1 Reform government. Mission-oriented adjustment and structural role of the government for the good part. Size appropriate officials are enthusiastic and dynamic knowledge. And the good management is important to make adjustments EPB role mission in line with these reforms.

4.2 Management focused achievement. Primarily to the cost and efficiency. Enhancing the ability of the government. Allows agencies to plan strategies. To provide guidance in practice. Management has the right to wave of changes and challenges.

4.3 Budget system reform. Change is a budget-oriented work. And maximum benefits to the public. The consistent and responsive government policies allow EPB to adjust to yield a clear run.

4.4 Strong political sectors. Could have a clear policy. Directing and driving results in a concrete practice. Resulted in the development plan prepared by the EPB is less important.

4.5 Various governments much stronger. Can be self-reliant in academic and other operations are better than this government has done next to particular economic advisor to help support the work of the EPB has been more convenient.

4.6 Expectations of many sectors of society to the EPB that agencies need to be neutral. Strengthen academic. Is independent from political domination and social responsibility.

4.7 The face of presidential assassination. Result in stability problems.

4.8 To increase the repressive power of the president Chun Doo Hwan

5. Reviews of organizational analysis through SWOT analysis instrumentation of EPB shows that EPB has the following strengths and weaknesses

5.1 S = Strength

5.1.1 EPB holds good relationship and coordination with all stake holders.

5.1.2 The personnel are professionals who possess various literacy and professionalism which outstands other organizations.

5.1.3 A unit in a neutral and independent work.

5.1.4 The open organizational culture allows the authorities to have academic freedom

5.1.5 EPB is highly recognized and trusted in national policy planning.

5.1.6 High R&D of EPB contributes to changing into a learning community

5.2 W = Weakness

5.2.1 The personnel administration system is resistant to changes.

5.2.2 EPB lacks prioritizing competency in work orders.

5.2.3 Political stability with the lofty cause of repressive policies.

5.3 O=Opportunity

5.3.1 Political stability ensures continuity of policy.

5.3.2 Important mission assigned from the government gives EPB more roles.

5.3.3 The result-oriented public administration grants a chance for EPB to improve its organization.

5.3.4 Both international and domestic agencies are ready to recognize and cooperate with EPB .

5.4 T=Threat

5.4.1 Government, political parties have the knowledge to set their own policies.

5.4.2 Government thinking and working fast.

6. Summary and Perspective Review of Research Result on Authoritative Organizations, Roles and Responsibility of the Planning Organizations of Both Countries in 1960s–1980s

From the study of structure, authority, duty, role and administration of NESDB and EPB, it can be concluded that during the 1960s–1980s, NESDB, the planning organization of Thailand still lacked the democratic dimension. In other words, the higher level political planning organization lacked the legislative facet of authority. The parliament did not participate or share any key influence in considering the approval of national economic and social development plan. In the lower level, the planning organization, placed within central agencies and in operational units did not have the true representative of all professionals, resulting in defeating the variety of professional and academic groups. The fact disabled the planning process from all cooperative action in implementation and conformation to the plan.

The essential question to be raised here is that, despite NESDB, being institutionalized by the cabinet, it is unknown if the ministers with the highest authority would listen to or take NESDB's perspective into account. Considering from many historical events, it is evident that a number of governments, especially the ones that came from the election, would not signify as much importance to the existence of NESDB. Another factor that played an important role in NESDB's

operation was the lack of stability in the political realm at the time, coinciding with the global economic crisis. Such factor offended the authority of the government policy. Another factor is the increasing work load of the ad hoc committee in NESDB amongst the lack of qualified personnel. This fact discharged the national economic and development plan from the most important priorities list of the nation and disabled the plan from appropriate changes and adaptation that should have been made at the time.

The Thai third and fourth economic development plans were not so successful as South Korea's. Such success of South Korea's development plan was due to South Korea's high political stability, as can be seen in the reign of President Park, Chung- Hee, who ruled the country for 18 years. In the first stage, EPB received cooperation from experts in various agencies including support from South Korean Development Institute (KDI), founded in 1970 and became the main organization in setting frameworks and in-depth policies in each branch. Special characteristic of South Korea's planning process is the centralized style of decision making, with the president as the person with highest authority. Nevertheless, such process involves coordination among EPB and other agencies with sound cooperation from all sides together with continuous improvement of information culture. Such factors contribute greatly to the fruitful efficient decision making of South Korea. Considering the fact that there are many similarities in the facet of structure, authority, role, duty and administration of planning organizations between the two countries, South Korea has developed much further than Thailand.

But internal factor that contributes the efficiency in performance of the two organizations, NESDB and EPB, is the high stability of the South Korean government during the year 1960's–1980's. The stability of the South Korean government contributes great benefit to the South Korean government in planning the national economic plan and other economic policies that aligns with the government's policies. Such factor is a significant factor that differed South Korean government from Thai government, which is highly destabilized. Such instability disabled the strategic implementation of economic development policy from the world demands. Industrial reform was not conducted in line with the appropriate timeline, which affects the economic planning and initial stage of implementation of

the economic plan, further results in a long-run effect and the growth of GNP that shows great difference between the two countries.



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CHAPTER VI

SUMMARY AND PERSPECTIVE REVIEW OF RESEARCH RESULT ON AUTHORITATIVE ORGANIZATIONS, ROLES AND RESPONSIBILITY OF THE PLANNING ORGANIZATIONS OF BOTH COUNTRIES IN 1960s-1980s

From 1960–1980, South Korea's rapid economic growth that overstepped Thailand was obviously seen. This paper sets the research questions to identify and compare the procedure patterns of two economic development planning organizations of two countries, South Korea's EPB and Thailand's NESDB, which influenced the performance of economic development policy and plan to align with economic, world and domestic situation of the countries within the time frame of the year 1960–1980. Such difference in extent of alignment was supposed to be the key of success that differ between the two countries.

After conducting the research, the result responded to the preset hypothesis as

- 1) During 1960s–1980s, EPB could perform better in role and authority than NESPB.
- 2) During 1960s–1980s, the South Korean government gave more significance and support to EPB than what Thai government gave to NESDB. This leads to the efficient emphasis on industrial product export in South Korea since the beginning of 1960s that brought about the fast-growing GNP of South Korea at the time.

The study found that considering the structure, role, authority of the planning organization of both countries can be considered that the more power they hold, the more efficient the conduct and development process of the country will become. The organization holds the authority to draft monetary, financial, educational, industrial, investment encouraging, private sector sponsoring, state enterprise, human resources development policies. The drafting should all be drawn under the set framework of the economic development plan which has been set for ministries, departments and agencies to comply with to be adjustable to the world and domestic economic situation.

The 6 factors which will be broken into points below influence a lot on South Korea's EPB to perform more efficiently than Thailand's NESDB.

The first factor is the law. The law is the controller of the whole structure, roles and duties of the organization. Only abiding by the laws literally, EPB of South Korea has had enough authority to direct the policy which indicates the economic trends to the cabinet, which will influence drafting the action plan of each ministry and send the plan back to the economic planning organization. Then, the planning organization will adjust the plan to go in line with the economic development plan and domestic and international economic situation at the time and propose the adjusted plan to the cabinet planning committee under the responsibility of the cabinet. When the cabinet finished the consideration process, the plan will be transferred to the economic adviser committee to examine the completeness and further submit to the president for the final approval process. The president still holds the ultimate power to planning and decision making. Moreover, in the period of 1960 to 1980, the South Korean government signified EPB, hoping to unleash the highest efficiency from the working process of the organization.

If see a table on page 58, the management structure of the EPB, Deputy Prime Minister has a most power and the power of EPB is higher than another ministries. So EPB can control all policies and Economic Development plan.

The Deputy of Prime Minister of South Korea will operate under the control of economic policy and economic development plans directly. It is different from NESDB that has no high power of general management and lack of operating control of Economic Development Policy and Economic Development Plan by the government directly.

Although NESDB is under the office of the Prime Minister, but they have no direct power to force other ministry to operate strictly according to economic development policies and Economic Development plans directly. For this reason, the operation of economic development policy and Economic Development plan does not comply with planned Economic Development policy and Economic Development plan.

For this reason, cause the differences of planning step and operational procedures along Economic development policy and Economic Development Plan that placed between Thailand and South Korea.

The contrast between the South Korean organization and Thai organization can be obviously seen from only the office act which controls the roles and authority and performance of NESDB, setting the competency as exploring, studying and analyzing the economic and social crisis of both inside and outside the country. Also, it needs to serve as the main advising committee agency for the cabinet or the ad hoc committee in drafting national economic development policies and plans to the cabinet, which can be approved or not because the absolute decision is still up to the cabinet with no official act that the economic and social development committee and the national development plan committee are committed to decide in a specific way.

Moreover, considering from the act issued before 1978, the power and duty of NESDB still lack clarity but after 1978, it had become more clarified but even so, there are still issues in legal concerns that the planning organization would direct and force the public sector and state enterprise to comply with the development plan, abiding by article 12-13 of Act 1978. The question still lies in that what would happen if the public sector does not follow the steps of the law enforcement.

In practice, the public sector or state enterprise that does not comply with the plan will not get increased workforce allowance and other resources because the development committee and other central agency will not approve or consider the plans or projects that do not go in line with its plan and will also be opposed by the cabinet itself.

Literately written in the law, NESDB did not hold any authority in internal administration of the agency over the secretary and civil servants. But such power would still be held by the Prime Minister under the name of the ministers who are responsible of the Prime Minister's Office which is considered the direct commander of all the secretary and staff in NESDB.

Considering from a holistic view, according to the previous researches in the time frame of 1960–1980 reviewed, Thailand's planning organization lacks the democratic facet, in other words, the superstructure political planning organization

lacks the legitimate facet. The parliament holds no role and participation in the approval process of the national economic and social development plan. By infrastructure, the planning organization of the central agency and practical units lack genuine identity in arranging and conducting according to the plan.

Second factor is the personnel in EPB received sufficient academic and personnel resources support, retaining more experts in each field within the organization than NESDB. Primarily, EPB gets the assistance through agencies including the support from KDI which was initiated in 1970 and other main duties in researches both in the policy framework and profound issue in each branch. The number of R&D resources of EPB can be regarded as the special identity in planning strategy of South Korea, with strategies such as centralized decision making with the president as the center of power. Nevertheless, the cited planning process and the coordination process went on effectively with constantly updated information, which enables the decision making to be made efficiently. On the contrary, total workforce in NESDB is civil servants, resulting in the lack of knowledgeable specialty in each field of development. It can be seen in the third economic development plan in the later periods that if the government that came from election and the cabinet did not trust the procedures of NESDB but if the government establish the cabinet that most of the cabinet used to be the civil servants, there will be more trust in the working process of NESDB.

Third factors there are internal and external environment of the country, may not make much difference in 1960s, that is, there is still sufficient support from the monetary fund between the countries, including the stability of the U.S government and international organization as the main source while the international investment depends on the fund from Japan in the 1960s. But during implementing the third plan, the economic and political problems both domestically and internationally such as October Uprising 1975, the Communist triumph over the Indo China, Second Oil Crisis, From Gloom to Brightness which results in obstacles to the procedures of EPB and NESDB. But with the abundance of specialty in EPB and academic support, KDI could utilize its resources to find advanced solutions to the problems. But in case of NESDB, with the existing lack of personnel, the existing human resources were divided into finding solution in this short period preparation. At the

same time, the world situation was chaotic with problems such as the over balance budget funding and monetary crisis. With the too much transferred resources of the office, the agility of planning process was way lagged behind amongst the occurring problems.

Fourth factor which can be both supportive and obstructive to the performance of EPB and NESDB is the support and assistance from the government in 1960–1980. Every president who acceded to power in South Korea focused their main concerns on the performance of EPB especially in the reign of President Park, Chung–Hee, who usually utilized his power to interfere the work of EPB but his intervention was an advantage to EPB, as can be seen from his nomination of many knowledgeable and specialties in various branches to assist in the proceedings of EPB. In Thailand, government intervention was seen as much in the working procedures of NESDB as can be seen in the preliminary stage of establishment until 1973. The government used NESDB as a tool to compromise with BOI to support themselves and the stakeholders on the government side to sponsor the industrial Import replacement policy. The result brings about the excess of the commodities and the lack of seriousness in encouraging the export industry. Even in the first development plan, Thailand started to be more serious in encouraging its export policy, but the lack of human resources in the field slowed down the industrial expansion.

But in reality, the cabinet would adopt the proposal from both organizations into serious consideration but the decision would still depend on the Prime Minister and ministers in each period. For instance, the government of General Prem Tinnasulanond focused on both organizations but General Chatchai Chunchawan's government went on a contrary interest for the organizations.

Fifth factor can be regarded as the most important to all, that is, the stability of the government. If the government is constructed with stability, the policy setting and development planning process would be continuously in line with each other. With the high stability of South Korean government, President Park Chung Hee remained in his presidency for 18 years, drafting continuous development plan for EPB which is totally different from Thailand in 1960s–1980s with 9 cabinets with discontinued policy which was not a good situation for NESDB. If South Korea

lacks government stability, it would not contribute to the performance of EPB as can be seen in 1980 uprising which caused EPB to find a measure to prevent further impacts on the situation at the time.

Due to the fact the economic development plan is used as a framework in drawing up the overall policies, the government needs to support NESDB with more expertise in all fields of professionals as well as sponsor the R&D activities in a regular stream. Provided that the people's participation and limitation of government intervention should be unanimously defined within the plan, the parliament should be the final filtering committee to decide if the plan should be approved.

The last factor, Cultural factors have an effect to the lives of population. The final result might be good or bad to the government policy. The South Korea cultures which are better than Thailand, as follow; *Discipline*, The South Korean Government has a disciplined regimen to improve the lives of people to be better, different from Thai people that accept their status. *Principles of life*, South Korea has Doctrine of Confucius which focus on Happiness in real world, but Thai focus on happiness in mind. *To join a working group*, South Korean People can join a working group better than Thai people, it have an effect to the success of Government Policy that want a high cooperation. *Nationalism*, South Korean is a very nationalistic, South Korean People focus on the benefit of national than their own benefit. You can see from the people group express their expression that they are agreed or do not agreed with government operations. And Consume the product that produces in their country. Those have good effects for South Korean people, different from Thai people that always think of themselves and prefer overseas products. *Education*, the South Korean give an important to education, the higher education contribute national development. But Thai people, there is no competitive in Education and the government do not support as in South Korea. *Power Agreement*, South Korean people accept government to use power as evidenced in high post-1961 revolution, people obey the law of General Park Chung Hee government, and people also cooperate to be volunteer in military, different from Thai people.

All factors that are mentioned above have many affects to both drafting economic development plan organization in two countries. The drafting Economic

Development Organization is a main factor that can mention those countries can develop into “Developmental State”(Johnson’s theory) or not. Thailand must have deficiencies in all areas as soon as possible to develop into a “Development State” and economy will get better.



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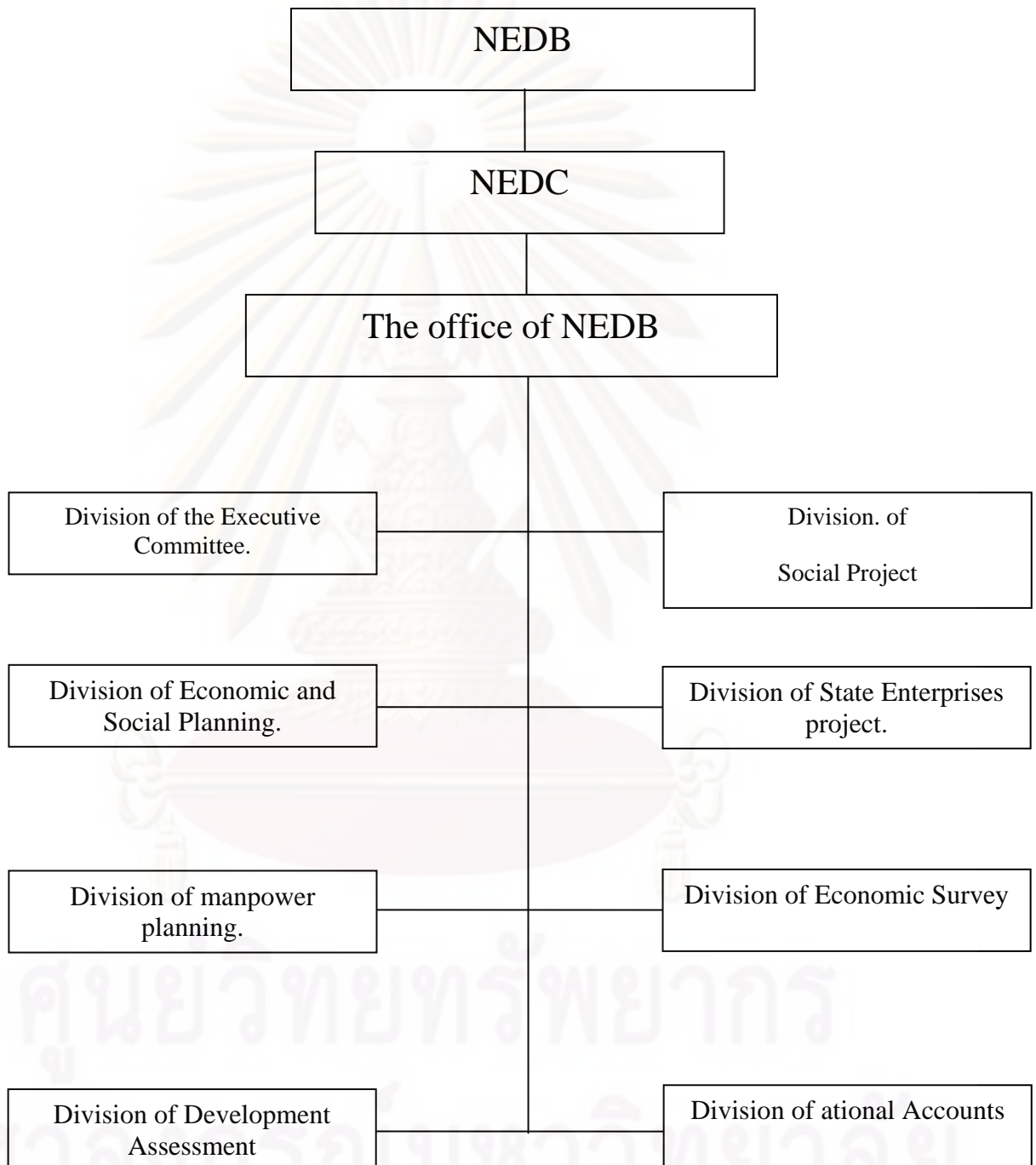


APPENDIECS

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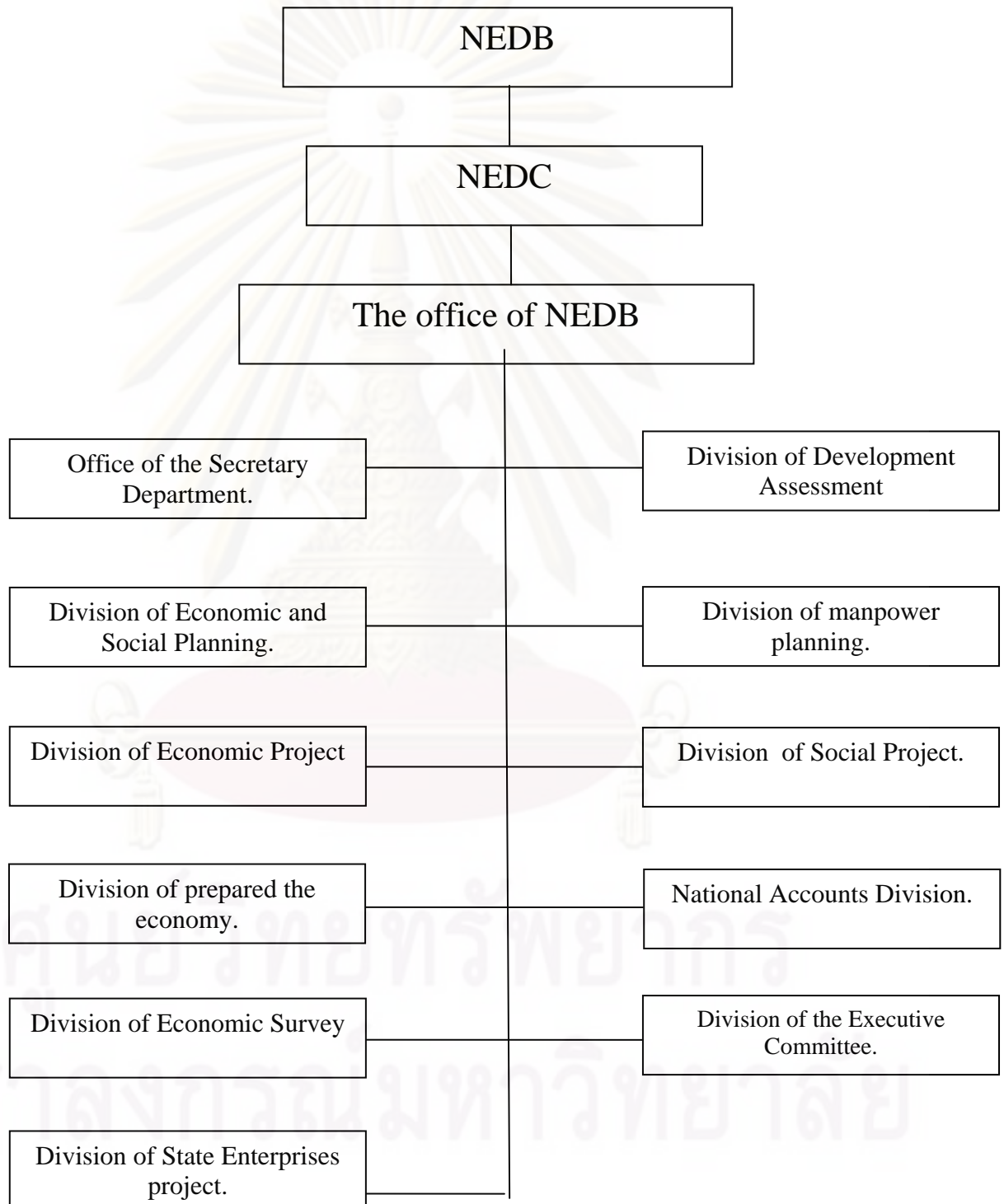
APPENDIX A

Government's division of the office of NEDC.
(Since March 15,1967 to August 31, 1959)



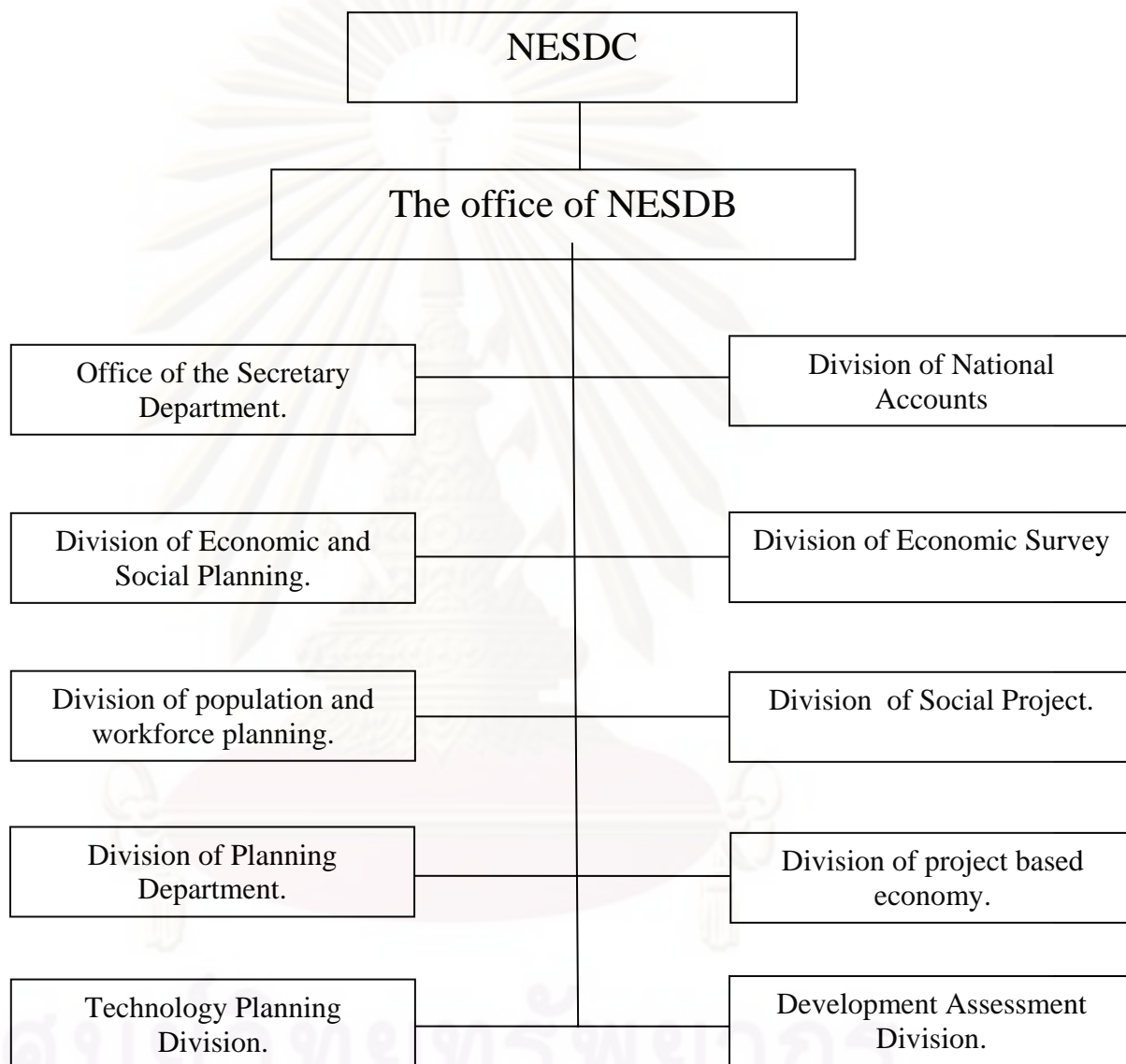
APPENDIX B

Government's division of the office of NEDC.
(Since September 1, 1969 to February 19, 1975)



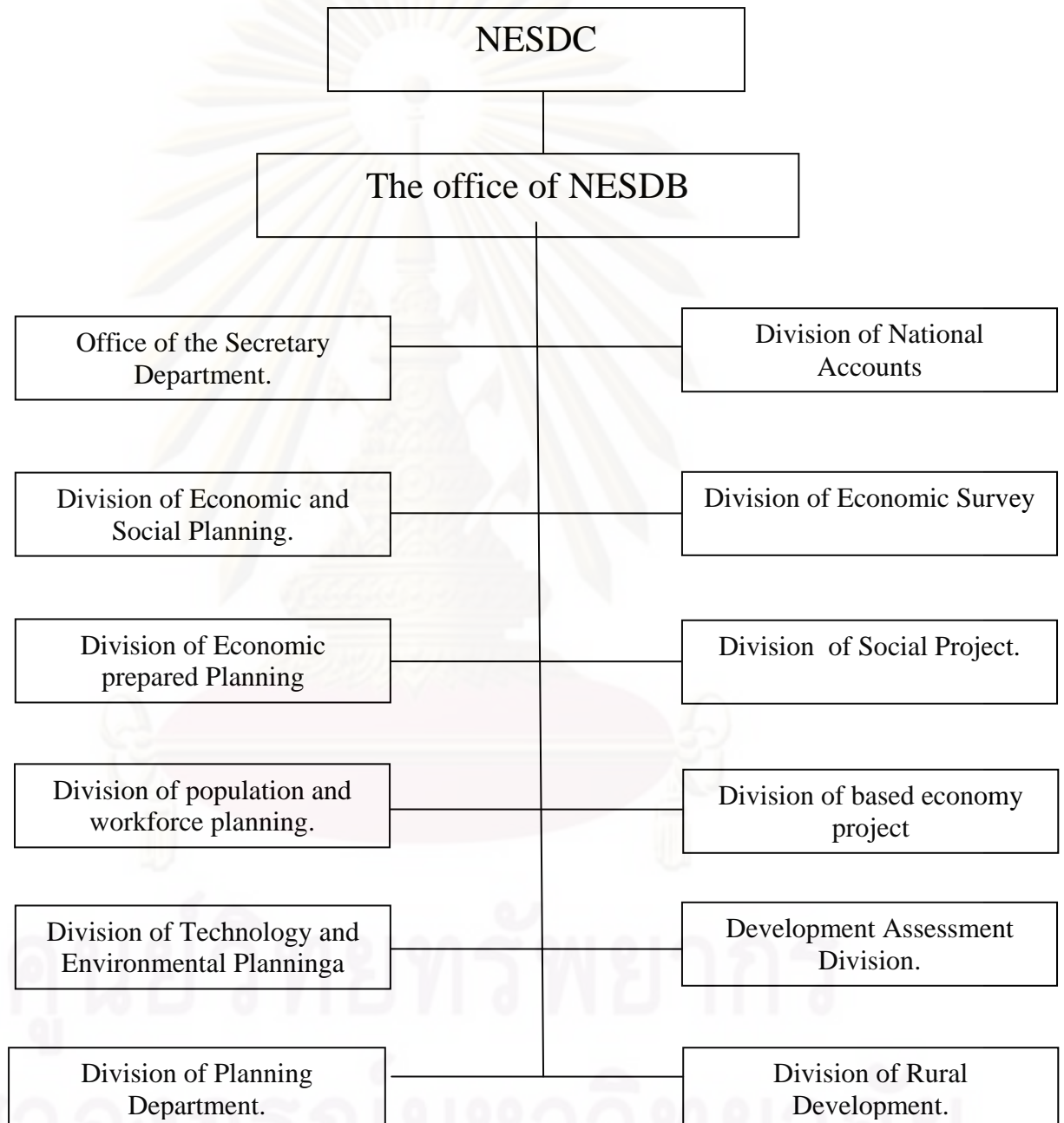
APPENDIX C

Government's division of the of NESDB
(Since February 18,1975 to November 22, 1978)



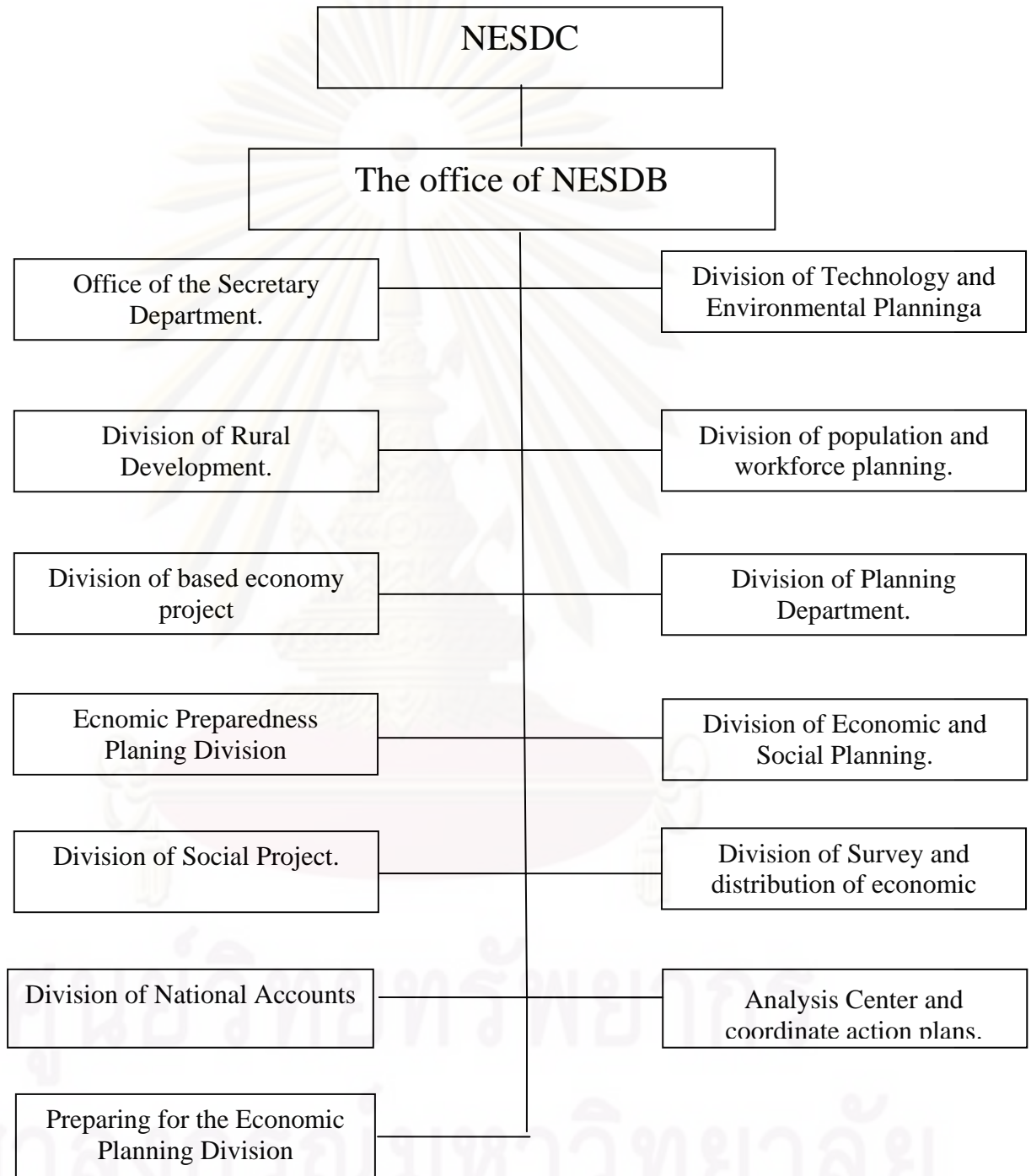
APPENDIX D

Government's division of the of NESDB
(Since November 23,1978 to August 28, 1981)



APPENDIX E

Government's division of the of NESDB
(Since August 28, 1981 to April 22, 1985)



APPENDIX F**NATIONAL ECONOMIC DEVELOPMENT COUNCIL
ACT, 1959****Translation****NATIONAL ECONOMIC DEVELOPMENT COUNCIL ACT,
1959****BHUMIBOL ADULYADEJ, REX.****Given on the 3rd Day of July 1959;****Being the 14th Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to foundation the law on National Economic Council;
Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly as follows:

Section 1. This Act is called the “National Economic Development Council Act,1959”

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette. *

* Government Gazette Vol. 76, Part69, dated 4th July 1959

Section 3. This following shall be repealed: National Economic Development Council Act, 1950

Section 4. In this Act,

“economic development” means expansion of increase of gross national productivity , general improvement and equality for the people in education, health, habitation, nutrition, as well as any activity related thereto;

“State enterprise” means

government organization under the law on establishment of government organization, or State undertaking under the law establishing such undertaking, and includes business agency belonging to the State; limited company or registered partnership, where more than fifty per cent of its capital belongs to a Ministry, Sub-Ministry, Department

Section 5. The Prime Minister shall be the President of the National Economic Development Council consisting and the vice- Prime Minister be the vice-President. There shall be a National Economic Development Council consisting of the other committees are appointed by the Council of Ministers. The Secretary-General of the National Economic Development Council shall also act as Committee and the secretary of the Council

The Minister shall be a adviser of the National Economic Development Council .

Section 6. The National Economic Development Council has the following duties up to the Council of Ministers assign and consider the recommence of the office of the National Economic Development Council follow Section 12 and then report to the Council of Minister.

Section 7. Members appointed by the Council of Ministers shall hold office for a term of three years. An outgoing member may be re-appointed.

Section 8. In addition to vacating office at the end of term under section 7, members appointed by the Council of Ministers vacate office upon :

(1) death;

(2) resignation;

(3) being a bankrupt;

(4) being an incompetent or quasi-incompetent person;

(5) being imprisoned by a final judgment to a term of imprisonment except for an offence committed through negligence or a petty offence;

In the case where a member vacates office before the expiration of his term, the Council of Ministers may appoint any other person replacing him, and the appointee shall hold office for the remaining term of the member he replaces.

Section 9. If, in a meeting of the National Economic Development Council, the President is absent or fails to attend, The Vice- President shall be Chairman of the meeting.

Section 10. The presence of not less than one-half of the total number of members at each meeting of the National Economic Development Council is required to constitute a quorum.

Section 11. the final decision of the meeting shall be by majority votes.

Each member shall have one vote; in case of an equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote.

Section 12. There shall be the Office of the National Economic Development Council having the following duties:

(1) to study and analyse the socio-economic situation in order to recommend to the National Economic Development Council, aims and policies on economic and social development of the country

(2) to jointly consider work plans and development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and any State enterprise with such Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise, and to coordinate such work plans and development projects in order to lay down an overall plan for each phase in accordance with the aim of economic and social development of the country according to the existing resources and priority for the use thereof;

(3) to study matters concerning financial capability and other existing and non-available resources and to lay down a plan for utilising and acquiring such resources for the State benefit;

(4) after consulting with the Ministry, Sub-Ministry, Department which has the duties in connection with the national budget concerning annual expenditures of the Ministry, Sub-Ministry, Department government agency which is called by another name but has equivalent status and State enterprise, to make a proposal in respect of the increased main permanent assets for use in the economic and Social developments, as well as the amount of money to be expended there for not withstanding that it is paid out of the national budget, loans, accumulative profits, or other sources;

(5) to study and analyse actual expenditures for construction and maintenance of main permanent assets used in the economic and social developments in order to

suggest necessary modification of such expenditures and to instil efficiency in the construction and maintenance of such main permanent assets;

(6) to study and analyse actual expenditures for economic and social services in order to suggest necessary modification of such expenditures;

(7) to consider, suggest and determine principles for the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise for the making of work plans and development projects which may require form foreign countries technical, financial, lending and operating assistance for the implementation in accordance with the national economic and social development plan;

(8) to follow up and appraise results of work implemented under the development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise and, when deem appropriate, to give recommendation concerning the expedition, revision or cancellation of any development project;

(9) to propose policy solution in order to encourage the economic development of the country;

(10) to study and analyse external socio-economic problems affecting national socio-economic situation, as well as to submit proposals and recommendations;

(11) to carry out other matters which the law has prescribed to be the duties of the National Economic Development Board or the Office of the National Economic Development Board.

Section 13. with the national budget concerning annual expenditures in the Section 12(4) could do it After receiving approval by the National Economic Development Council Board.

Section 14. The Office of the National Economic Development Council has the power to direct the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise to carry out the following:

(1) to submit work plans and development projects as well as technical, financial statistical details and other particulars necessary for studying domestic socio-economic situation

(2) to submit facts necessary for evaluating the end result of work of development project under implementation.

(3) Require from foreign countries technical, financial, lending and operating assistance for the implementation.

Section 15. The duties beyond Section 12 and Section 15 the office of the National Economic and Development Board shall have the duty to supervise the Statistics follow the Statistics laws.

For the benefits shall change “the National Economic Council” in everywhere of Statistics Act 1953 to “the national Economic Development Council”

Section 16. The Secretary-General of the National Economic Development Council shall have the duty to supervise the administration of the Office of the National Economic and Social Development Board.

Section 17. The National Economic Development Council or the Office of the National Economic and Social Development Board may, as it deems appropriate, invite any person to give facts, explanation, opinions or recommendation.

Section 18. There shall be the committees of the National Economic and Social Development Board consisting of the Secretary of Board and not more than

nine other members has power and duties bellow the national Economic development Council to transfer a duty as Section 12

The committees shall elect one of the committee shall be the president, I hold office for a term of one years. An outgoing member may be reappointed.

Section 19. Members of committee by the Council of Ministers shall hold office for a term of six years.

After three years half of the committee shall outgoing by draw lots. An outgoing member may be reappointed.

Section 20. besides an outgoing member by Section 19 shall including an outgoing member by Section 18.

Section 21. If, in a meeting of the National Economic and Social Development Board, the President is absent or fails to attend, the meeting shall elect a member among themselves to be Chairman of the meeting.

The final decision of the meeting shall be by majority votes. Each member shall have one vote; in case of an equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote.

Section 22. The National Economic Development Council may appoint a sub-committee to consider or carry any act as entrusted by the National Economic and Social Development Board.

Section 23. The Prime Minister shall have charge and control of the execution of this Act.

(Published in the Government Gazette Vol. 76 Part 69. dated 4th July 1959)

APPENDIX G**NATIONAL ECONOMIC DEVELOPMENT COUNCIL****(No. 2)ACT, 1960****Translation****NATIONAL ECONOMIC DEVELOPMENT COUNCIL****(No. 2)ACT, 1960****BHUMIBOL ADULYADEJ, REX.****Given on the 19th Day of July 1960****Being the 15th Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to revise the law on National Economic Development Council so as to be more appropriate;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly as follows:

Section 1. This Act is called the “National Economic Development Council Act, (No.2)1960”

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette. *

* Government Gazette Vol. 77, Part 62, dated 25th July 1960

Section 3. This following shall be repealed Section 6 of the National Economic Development Council Act, 1959 and change to use follows;

“Section 6. The National Economic Development Council has the following duties up to the Council of Ministers assign and consider the recommence of the office of the National Economic Development Council in this Act. and then report to the Council of Minister and to submit to the Prime Minister opinions on activities concerning economic and social development as directed by the Prime Minister;

Section 4. shall be repealed the Section 12 to use follows;

“Section 12. There shall be the Office of the National Economic and Social Development Board having the following duties:

(1) to study and analyse the socio-economic situation in order to recommend to the the National Economic Development Council, aims and policies on economic and social development of the country

(2) to jointly consider work plans and development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and any State enterprise with such Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise, and to coordinate such work plans and development projects in order to lay down an overall plan for each phase in accordance with the aim of economic and social development of the country according to the existing resources and priority for the use thereof;

(3) to study matters concerning financial capability and other existing and non-available resources and to lay down a plan for utilising and acquiring such resources for the State benefit;

(4) after consulting with the Ministry, Sub-Ministry, Department which has the duties in connection with the national budget concerning annual expenditures of the Ministry, Sub-Ministry, Department government agency which is called by another name but has equivalent status and State enterprise, to make a proposal in respect of the increased main permanent assets for use in the economic and Social developments, as well as the amount of money to be expended there for not withstanding that it is paid out of the national budget, loans, accumulative profits, or other sources;

(5) to study and analyse actual expenditures for construction and maintenance of main permanent assets used in the economic and social developments in order to suggest necessary modification of such expenditures and to instil efficiency in the construction and maintenance of such main permanent assets;

(6) to study and analyse actual expenditures for economic and social services in order to suggest necessary modification of such expenditures;

(7) to consider, suggest and determine principles for the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise for the making of work plans and development projects which may require form foreign countries technical, financial, lending and operating assistance for the implementation in accordance with the national economic and social development plan;

(8) to follow up and appraise results of work implemented under the development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise and, when deem appropriate, to give recommendation concerning the expedition, revision or cancellation of any development project;

(9) to propose policy solution in order to encourage the economic development of the country;

(10) to study and analyse external socio-economic problems affecting national socio-economic situation, as well as to submit proposals and recommendations;

(11) to carry out other matters which the law has prescribed to be the duties of the National Economic Development Board or the Office of the National Economic Development Board.

Proposals, recommendations and opinions related to the performance of duties under this section shall not be submitted by the Office of the National Economic Development Board to the National Economic Development Board. the Office of the National Economic Development Board must opinion to the Council of Ministers.

(Published in the Government Gazette Vol. 77 Part 62. dated 25th July 1960

APPENDIX H**NATIONAL ECONOMIC DEVELOPMENT COUNCIL
(No. 3)ACT, 1966****Translation****NATIONAL ECONOMIC DEVELOPMENT COUNCIL
(No. 3)ACT, 1966****BHUMIBOL ADULYADEJ, REX.****Given on the 5th Day of February 1966****Being the 21st Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to revise the law on National Economic Development Council so as to be more appropriate;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly as follows:

Section 1. This Act is called the “National Economic Development Council Act, (No.3)1966”

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette. *

* Government Gazette Vol. 83, Part 13, dated 15th July 1966

Section 3. This following shall be repealed Section 18 of the National Economic Development Council Act, 1960 and change to use follows;

“Section 18. There shall be the Committee of Board consisting The Secretary-General of the National Economic Development Board, the director of Budget Bureau, the Director of Ministry of Foreign Affairs and the Governor of the Bank of Thailand shall be ex officio members. And not more than nine other members are appointed by the Council of Ministers.

The committees shall elect one of the committee shall be the president, I hold office for a term of two years. An outgoing member may be reappointed.

(Published in the Government Gazette Vol. 83 Part13. dated 15th February 1966

APPENDIX I**NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT
ACT, 1978**

**Translate by
Foreign Law Division,
Office of the Juridical,
Council 1986**

Translation

**NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT ACT,
B.E. 2521 (1978)**

BHUMIBOL ADULYADEJ, REX.

Given on the 14th Day of August B.E. 2521;

Being the 33rd Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to revise the law on National Economic Development Council so as to be more appropriate;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly as follows:

Section 1. This Act is called the “National Economic and Social Development Act, B.E. 2521”

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette. *

* Government Gazette Vol. 95, Part 89, dated 29th August B.E. 2521 (1978)

Section 3. This following shall be repealed :

- (1) National Economic Development Council Act, B.E. 2502;
- (2) National Economic Development Council Act (No. 2), B.E. 2503;
- (3) National Economic Development Council Act (No. 3), B.E. 2509;

All other laws, by-laws or regulations in so far as they are already provided herein or are contrary to or inconsistent with the provisions hereof shall be replaced by this Act.

Section 4. In this Act,

“economic and social development” means expansion of manpower and increase of gross national productivity at every level in every locality, equitable distribution of incomes, economic stability, general improvement and equality for the people in education, health, habitation, nutrition, and other welfares, as well as any activity related thereto;

“development project” means an economic and social development investment project with definite objectives, aims and implementation period which may be carried out by any government agency or State enterprise, not being its normal administration;

“Work plan” means a system for uniting two or more related development projects to be in line with each other in their process of implementation in order to achieve the desired objectives and aims;

“plan” means program concerning the unity of selected development projects and work plans of the country or region or certain branches or sorts of activities in any locality in order to achieve the desired objectives and aims and to be in line with the financial and other resources capability;

“State enterprise” means

(1) government organization under the law on establishment of government organization, or State undertaking under the law establishing such undertaking, and includes business agency belonging to the State;

(2) limited company or registered partnership, where more than fifty per cent of its capital belongs to Ministry, Sub-Ministry, Department, or a government agency which is called by another name but has the equivalent status and/or a State enterprise under (1);

(3) limited company or registered partnership, where more than fifty per cent of its capital belongs to a Ministry, Sub-Ministry, Department, or a government agency which is called by another name but has the equivalent status and/or a State enterprise under (1) and/or (2)

Section 5. There shall be a National Economic and Social Development Board consisting of a President and not more than nine other members possessing economic and social knowledge and experience and are appointed by the Council of Ministers. The Secretary-General of the National Economic and Social Development Board, the Secretary-General of the Civil Service Commission, the director of Budget Bureau, the Director of Fiscal Policy Office and the Governor of the Bank of Thailand shall be ex officio members.

The Secretary-General of the National Economic and Social Development Board shall also act as the secretary of the Board.

Section 6. The National Economic and Social Development Board has the following duties:

(1) to submit to the Council of Ministers recommendations and opinions concerning economic and social development;

(2) to consider national economic and social development plans and other recommendations made by the Office of the National Economic and Social Development Board and to submit opinions thereon to the Council of Ministers;

(3) to submit to the Prime Minister opinions on activities concerning economic and social development as directed by the Prime Minister;

(4) to provide a cooperation between the Office of the National Economic and Social Development Board and other government agencies and State enterprises concerned in the making of work plans and development projects and the implementations thereof.

Section 7. Members appointed by the Council of Ministers shall hold office for a term of four years. An outgoing member may be reappointed.

Section 8. In addition to vacating office at the end of term under section 7, members appointed by the Council of Ministers vacate office upon :

(1) death;

(2) resignation;

(3) being a bankrupt;

(4) being an incompetent or quasi-incompetent person;

(5) being imprisoned by a final judgment to a term of imprisonment except for an offence committed through negligence or a petty offence;

(6) being removed by the Council of Ministers.

In the case where a member vacates office before the expiration of his term, the Council of Ministers may appoint any other person replacing him, and the appointee shall hold office for the remaining term of the member he replaces.

In the case where additional member is appointed by the Council of Ministers during the term of members already appointed, the appointee shall hold office for the remaining term of the members already appointed.

Section 9. If, in a meeting of the National Economic and Social Development Board, the President is absent or fails to attend, the meeting shall elect a member among themselves to be Chairman of the meeting.

Section 10. The presence of not less than one-half of the total number of members at each meeting of the National Economic and Social Development Board is required to constitute a quorum.

Section 11. the final decision of the meeting shall be by majority votes.

Each member shall have one vote; in case of an equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote.

Section 12. There shall be the Office of the National Economic and Social Development Board having the following duties:

(1) to survey, study and analyse the socio-economic situation in order to recommend aims and policies on economic and social development of the country;

(2) to jointly consider work plans and development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and any State enterprise with such Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise, and to coordinate such work plans and development projects in order to lay down an overall plan for each phase in accordance with the aim of economic and social development of the country according to the existing resources and priority for the use thereof;

(3) to study matters concerning financial capability, manpower and other existing and non-available resources and to lay down a plan for utilising and acquiring such resources for the State benefit;

(4) after consulting with the Ministry, Sub-Ministry, Department, and government agency which is called by another name but has equivalent status, which has the duties in connection with the national budget concerning annual expenditures of the Ministry, Sub-Ministry, Department government agency which is called by another name but has equivalent status and State enterprise, to make a proposal in respect of the increased main permanent assets for use in the economic and Social developments, as well as the amount of money to be expended there for not withstanding that it is paid out of the national budget, loans, accumulative profits, or other sources;

(5) to study and analyse actual expenditures for construction and maintenance of main permanent assets used in the economic and social developments in order to suggest necessary modification of such expenditures and to instil efficiency in the construction and maintenance of such main permanent assets;

(6) to study and analyse actual expenditures for economic and social services in order to suggest necessary modification of such expenditures;

(7) to consider, suggest and determine principles for the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise for the making of work plans and development projects which may require from foreign countries technical, financial, lending and operating assistance for the implementation in accordance with the national economic and social development plan;

(8) to follow up and appraise results of work implemented under the development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise and, when deem appropriate, to give recommendation concerning the expedition, revision or cancellation of any development project;

(9) to study and analyse national socio-economic problems so as to propose policy and short-term solution in order to encourage the economic and social development of the country;

(10) to study and analyse external socio-economic problems affecting national socio-economic situation, as well as to submit proposals and recommendations;

(11) to carry out other matters which the law has prescribed to be the duties of the National Economic and Social Development Board or the Office of the National Economic and Social Development Board.

Proposals, recommendations and opinions related to the performance of duties under this section shall be submitted by the Office of the National Economic and Social Development Board to the National Economic and Social Development Board for further submission with its opinion to the Council of Ministers.

Section 13. The Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise shall submit development project or work plan to the National Economic and Social Development Board for its consideration and opinion and to complement the consideration on budgetary appropriations in the draft of the annual budgetary appropriations for the fiscal year or the draft of the additional budgetary appropriations for the fiscal year.

Section 14. The Office of the National Economic and Social Development Board has the power to direct the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise to carry out the following:

(1) to submit work plans and development projects as well as technical, financial statistical details and other particulars necessary for studying domestic socio-economic situation including work plans and development projects which require assistance from foreign countries, and other particulars necessary for studying domestic socio-economic situation;

(2) to submit facts necessary for evaluating the end result of work of development project under implementation.

Section 15. The Secretary-General of the National Economic and Social Development Board shall have the duty to supervise the administration of the Office of the National Economic and Social Development Board.

Section 16. The National Economic and Social Development Board or the Office of the National Economic and Social Development Board may, as it deems appropriate, invite any person to give facts, explanation, opinions or recommendation.

Section 17. The National Economic and Social Development Board may appoint a sub-committee to consider or carry any act as entrusted by the National Economic and Social Development Board.

Section 9, section 10 and section 11 shall apply mutatis mutandis to the meeting of the sub-committee under paragraph one.

Section 18. The Prime Minister shall have charge and control of the execution of this Act.

Remarks: - The reason for promulgation of this Act is as follows: Whereas it is expedient to revise the Law on National Economic Development Council in response to the National Economic and Social Development of the present circumstances. Therefore, it is necessary to enact this Act.

(Published in the Government Gazette Vol. 95 Part 89. dated 29th August B.E. 2521 (1978))

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จุฬาลงกรณ์มหาวิทยาลัย

APPENDIX J

Government No. 28- 30

Professional backgrounds	Government No. 28 1Jan 1957 - 20 Oct 1957		Government No. 29 9Feb 1957 - 8 Dec 1963		Government No. 30 9 Dec 2506 - 6 Mar 1969	
	Amounts	%	Amounts	%	Amounts	%
1. Military and police	13	36.1	5	27.8	8	36.4
1.1 Army.	10	27.8	5	27.8	5	22.7
1.2 Navy.	2	5.5	-	-	-	-
1.3 Air Force	1	2.8	-	-	2	9.1
1.4 police	-	-	-	-	1	4.6
2. Officials.	12	33.3	12	66.7	13	59.0
3. Business	4	11.1	-	-	-	-
4. other civil	7	19.5	1	5.5	1	4.6
5. Total.	36	100	18	100	22	100
6. Total government officials (1+2) (1+2)	25	69.4	17	94.4	21	95.5
7. Total civilian (2+3+4)	23	63.9	13	72.2	14	63.7
8. Prime Minister	Lieutenant General thanom Kittikajhon		Field Marshal Sarit Thanarat		Field Marshal Thanom Kittikachorn	

APPENDIX K

Government No. 31- 33

Professional backgrounds	Government No. 31 27 Mar 1969 to 17 Nov 1971		Government No. 32 18 Dec 1972 to 15 Oct 1973		Government No. 33 15 Oct 1963 to 22 Nov 1964	
	Amounts	%	Amounts	%	Amounts	%
1. Military and police	12	42.8	12	41.4	9	33.3
1.1 Army.	7	25.0	6	20.7	3	11.1
1.2 Navy.	1	3.5	2	6.9	2	7.4
1.3 Air Force	1	3.5	2	6.9	1	3.7
1.4 police	3	10.7	2	6.9	3	11.1
2. Officials.	14	50.0	14	48.3	17	63.0
3. Business	2	7.2	3	10.3	1	3.7
4. other civil	-	-	-	-	-	-
5. Total.	28	100	29	100	27	100
6. Total government officials (1+2) (1+2)	26	92.8	26	89.6	26	96.2
7. Total civilian (2+3+4)	16	57.1	17	58.6	18	66.7
8. Prime Minister	Field Marshal Thanom Kittikachorn		Field Marshal Thanom Kittikachorn		Sanya Thammasak	

APPENDIX L

Government No. 34- 36

Professional backgrounds	Government No. 34 27 May 1964 to 17 Feb 1965		Government No. 35 15 Feb 1965 To 14 Mar 1965		Government No. 36 17 Mar 1965 to 22 Jan 1966	
	Amounts	%	Amounts	%	Amounts	%
1. Military and police	7	22.5	4	13.8	4	12.5
1.1 Army.	3	9.7	1	3.45	3	9.4
1.2 Navy.	1	3.2	1	3.45	1	3.1
1.3 Air Force	1	3.2	1	3.45	-	-
1.4 police	2	6.4	1	3.45	-	-
2. Officials.	21	67.8	3	10.4	1	3.1
3. Business	3	9.7	8	27.5	19	59.4
4. other civil	-	-	14	48.3	8	25.0
5. Total.	31	100	29	100	32	100.0
6. Total government officials (1+2) (1+2)	28	90.3	7	24.1	5	15.7
7. Total civilian (2+3+4)	24	77.4	25	86.2	28	87.5
8. Prime Minister	Sanya Thammasak		M.R. Seni Pramoj		M.R. Kukrit Pramoj	

APPENDIX M

Government No. 37 - 39

Professional backgrounds	Government No. 37 21 Apr 1966 to 23 Sep 1966		Government No. 38 15 Sep 1966 to 6 Oct 1966		Government No. 39 22 Oct 1966 to 20 Oct 1967	
	Amounts	%	Amounts	%	Amounts	%
1. Military and police	3	10.7	4	12.9	4	22.2
1.1 Army.	1	3.55	3	9.6	2	11.1
1.2 Navy.	1	3.55	-	-	1	5.55
1.3 Air Force	1	3.55	1	3.3	1	5.55
1.4 police	-	-	-	-	-	-
2. Officials.	3	10.7	2	6.5	10	55.6
3. Business	11	39.3	12	38.7	1	5.5
4. other civil	11	39.3	13	41.9	3	16.7
5. Total.	28	100	31	100	18	100
6. Total government officials (1+2) (1+2)	6	21.4	6	19.4	14	77.8
7. Total civilian (2+3+4)	25	89.3	27	87.1	14	77.8
8. Prime Minister	M.R. Seni Pramoj		M.R. Seni Pramoj		Thanin Kraivichien	

APPENDIX N

Government No. 40- 42

Professional backgrounds	Government No. 40 12 Nov 1977 - 23 May 1979		Government No. 41 24 May 1979 - 10 Feb 1980		Government No. 42 10 Feb 1980 - 29 Feb 1980	
	Amounts	%	Amounts	%	Amounts	%
	1. Military and police	9	27.2	15	37.5	9
1.1 Army.	6	18.1	7	17.5	4	17.4
1.2 Navy.	2	6.1	2	5.0	2	8.7
1.3 Air Force	1	3.0	4	10.0	3	13.0
1.4 police	-	-	2	5.0	-	-
2. Officials.	19	57.6	17	42.5	8	34.8
3. Business	5	15.2	6	15.0	5	21.7
4. other civil	-	-	2	5.0	1	4.4
5. Total.	33	100	40	100	23	100
6. Total government officials (1+2)	28	84.9	32	80.0	17	73.9
7. Total civilian (2+3+4)	24	72.7	25	62.5	14	60.9
8. Prime Minister	General Kriangsak Chomanan		General Kriangsak Chomanan		General Kriangsak Chomanan	

APPENDIX O

Government No. 43 - 45

Professional backgrounds	Government No. 43 12 Mar 1980 - 22Jan. 1981		Government No. 44 22 Jan 1981 - 19 Aug1981		Government No. 45 19 Dec1981 - 30 Apr 1983	
	Amounts	%	Amounts	%	Amounts	%
1. Military and police	7	19.4	11	28.2	10	24.4
1.1 Army.	3	8.3	6	15.4	6	14.6
1.2 Navy.	2	5.55	3	7.7	2	4.9
1.3 Air Force	2	5.55	2	5.1	2	4.9
1.4 police	-	-	-	-	-	-
2. Officials.	6	16.7	10	25.6	7	17.0
3. Business	18	50.0	11	28.2	16	39.0
4. other civil	5	13.9	7	18	8	19.6
5. Total.	36	100	39	100	41	100.0
6. Total government officials (1+2)	13	36.1	21	53.8	17	41.4
7. Total civilian (2+3+4)	29	80.1	28	71.8	31	75.6
8. Prime Minister	General Prem Tinsulanond		General Prem Tinsulanond		General Prem Tinsulanond	

APPENDIX P

Government No. 46 - 48

Professional backgrounds	Government No. 46 30 Apr 1983 - 5 Aug. 1986		Government No. 47 5 Aug 1986 - 8 Aug 1988		Government No. 48 9 Aug 1988 - 9 Dec 1990	
	Amounts	%	Amounts	%	Amounts	%
	1. Military and police	6	13.9	9	20.0	5
1.1 Army.	3	7.0	6	13.3	3	6.7
1.2 Navy.	1	2.3	1	2.2	-	-
1.3 Air Force	2	4.6	2	4.5	1	2.2
1.4 police	-	-	-	-	1	2.2
2. Officials.	6	13.9	5	11.1	1	2.2
3. Business	18	41.8	23	51.1	27	60.0
4. other civil	13	30.2	8	17.8	12	26.7
5. Total.	43	100	45	100	45	100
6. Total government officials (1+2) (1+2)	12	27.9	11	24.4	6	13.3
7. Total civilian (2+3+4)	37	86.1	36	80.0	40	88.9
8. Prime Minister	General Prem Tinsulanond		General Prem Tinsulanond		General ChadChai Chunnavan	

BIOGRAPHY

- Name : Mr. Kamon Butsaban
- Date of birth : November 9, 1982
- Birth Place : Songkla, Thailand
- Education : Bachelor of Art (Political Science), Prince Songkla University, Pattani, Thailand (June 1, 2001-November 10, 2004)
- Scholarship : - Korean Language Training Program Support by Korea Foundation (March 21, 2005-March 21, 2006)
- The Third Annual Kyujanggak Korean Studies Summer Workshop, support by Kyujanggak Institute for Korean Studies, Seoul National University (July 6, 2009-July 17, 2009)
- Work Experiences : Be an Instructor of Division of Korean Language, Faculty of Arts Silpakorn University (May7, 2006–September 30, 2007)

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