

Keynote Address
Workshop on Addressing Regional Disparity: Thailand's Experience and International Lessons

By
Mr Arkhom Termpittayapaisith
Deputy Secretary-General
National Economic and Social Development Board (NESDB)
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Excellencies
Distinguished Guests and Speakers
Ladies and Gentlemen

It is my pleasure to be with you here this afternoon. On behalf of NESDB, I would like to thank the World Bank for organizing this workshop and for giving us the honor of co-hosting the event. I would like to thank all of you for attending this workshop. When I first saw the invitation to speak at a workshop on regional disparity, I was pleased and, in a way, relieved, to know that the urgent issue of global financial crisis has not totally crowded out the important ones such as the eradication of poverty and the reduction of inequality.

In my view, the current economic crisis doesn't only reflect the problems within our globalized financial system. It also reveals deeper and more fundamental flaws inherent in our modern economies. For years, we have been in the pursuit of economic growth while other issues which really matters to the people have been given less attention than they deserve. The fact that GDP has been the dominating indicator of the progress of our civilization probably have influenced the order of our priorities and caused us to lose sight of the true objectives of development.

This is why I believe that the timing for this workshop can hardly be better. I hope that from our discussion and exchange of views today will remind us the importance of reducing inequality and help us put things into a better perspective. And I also hope that, by the end of this workshop, we would have more insights into the issues of regional disparity.

As for Thailand, it is probably fair to say that our progress in development in recent years has been satisfactory. Despite the setback from the financial crisis in 1997, the level of abject poverty in Thailand has been on a steady decline. However, while the average income of Thai people has risen, there is no clear improvement in the issue of disparity in economic opportunities, access to public services and the use of natural resources. It is clear that the benefits from economic growth in the past are not shared equitably by the people in different regions. The social unrest and political instability Thailand has been experiencing in the past few years are arguably a manifestation of economic and social injustice felt by the people who felt they have not received an equitable share from the economic growth.

There are other challenges apart from the global financial crisis that have the potential to exacerbate the problem of regional disparity. As the nation's central development planning agency, the issue of ageing population is of a particular concern to us. Within 20 years, Thailand will be faced with a much larger proportion of older people while the proportion of workforce will be smaller. The situation requires appropriate planning and investments in many areas to improve the capacity and effectiveness of our workforce and healthcare. In what manner will the way we address the challenge of ageing population have an effect on the issue of regional disparity is of a particular interest.

Another major challenge we are faced with is climate change. In many ways, climate change is more difficult to deal with since there is not a clear picture of what the future effects are going to

be. Nonetheless, what is clear is that the least well-off will be affected most severely. As it is an objective of the 11th National Economic and Social Development Plan to start a transition to a low carbon economy, we are currently under the process of making a national master plan for climate change. Appropriate policies and strategies to deal with the effects of mitigation, adaptation and other climate change related measures on poverty and regional disparity and shall be a part of the plan. Moreover, for Thailand, the majority of the poor are farmers. So as far as agriculture is concerned, climate change is not only a threat to food security. It also has the potential to cause a significant decline in livelihood of the rural poor.

The issue of urbanization also needs to be addressed in our development planning. Like any typical middle-income developing country, Thailand will experience significant urbanization in the coming years. The issue here, of course, is not merely rigorous and methodical urban planning. Urbanization has the tendency to divert resources from rural areas, both human and capital. The issue of rural-urban and regional disparity shall have to be addressed simultaneously; otherwise we might end up with many major regional cities while the rural areas are left behind.

I shall go into more details about these issues and others in my presentation later. But for now, allow me tell you what NESDB is most interested in. For a planning agency, the policy implications these issues have on development is of particular interest. The design of policy response to a given problem requires insights into the problem itself and the effects of its solution on other issues. I hope that by sharing our knowledge and experience in dealing with regional disparity will allow all of us to do a better job in shaping a more just and equitable world.

Thank you.

