Chapter I

- Introduction of Thailand
- Historical review of Thailand
- Modern Monarchy
- Industrial development in Thailand
- Formulation of problem
- Hypothesis
- Objective of the study
- Methodology
- Characterization
- References
Chapter I

Introduction
(Research Design)

The Kingdom of Thailand is a country in Southeast Asia, surrounded Laos and Cambodia to the east, the Gulf of Thailand and Malaysia to the south, and the Andaman Sea and Myanmar to the West. Thailand is also called as Siam; “Siam” was the name of the country until 1949. On 11 May 1949, an official proclamation came into being and it changed the name of the country to “Prathet Thai”, or Thailand. The word “Thai” means “freedom”, and therefore “Thailand” means “Land of Freedom.”

Thailand situated in the core of the Southeast Asian mainland. It has covered an area of 513,115 sq. km., from North $5^\circ 30'$ to $21^\circ$ and from East $97^\circ 30'$ to $105^\circ$. The country is surrounded by the Lao People’s Democratic Republic and Myanmar to the north, Cambodia and the Gulf of Thailand to the east, Myanmar and the Indian Ocean to the west, and Malaysia to the south. Thailand bears the maximum dimensions of about 2,500 km. north to south and 1,500 km. east to west, with a coastline of approximately 1,840 km. on the Gulf of Thailand and 865 km. along the Indian Ocean.¹

Topography

The country of Thailand is made of four natural regions: the North; the Central Plain, or the Chao Phraya River Basin; the Northeast, or the Korat Plateau; and the South, or the Southern Peninsula.
Natural forests, ridges, and deep, narrow alluvial valleys constitute the mountainous region, from the North. The well-known city of this region is Chang Mai.

Central Thailand, the basin of the Chao Phraya River, is a lush, fertile valley. It is the richest and most extensive area in the country that produces rice lavishly. Moreover, it is worldwide for its fertility. Hence, it has often been called the “Rice Bowl of Asia.” Bangkok is the capital of Thailand which is located in the same region.

The northeast region, or the Korat Plateau, comprises a rolling surface and high peaked hills. Harsh climatic conditions often result in this region being subjected to floods and droughts.

The southern region is hilly as well as mountainous, with thick virgin forests and rich deposits of minerals and ores. It has become the centre for the production of rubber and the cultivation of other tropical crops.\(^2\)

**Provinces**

The sovereign, Thailand is divided into 76 provinces (including small areas of land) that are grouped into 5 groups of provinces. Bangkok is capital city of Thailand. Each province is divided into smaller districts - as of 2000 there are 795 districts (Amphoe), 81 sub-districts (Klong -Amphoe) and 50 districts of Bangkok (khon). However, some parts of the provinces that have surrounded Bangkok are called as Greater Bangkok (Prati Monthon). These Provinces include Nonthaburi, Pathum Thani, Samut Prakan, Nakhon Pathom, Samut Sakhon. The name of each capital city (mueang) is the same as that of the province: for instance, the capital of Chiang Mai province (Changwat
Chieng Mai) is amphoe mueang Chiang Mai. The 76 provinces are entitled as follows: 3

In the North, there are 17 provinces which are constituted from Chiang Mai, Chiang Rai, Kamphaeng Phet, Lampang, Lamphun, Mae Hong Son, Nakhon Sawan, Nan, Phayao, Phetchabun, Phichit, Phitsanulok, Phrae, Sukhothai, Tak, Uthai Thani, Uttaradit. 4

The East is the smaller part of Thailand, which has 7 provinces consisting of the Chachoengsao, Chanthaburi, Chon Buri, Prachin Buri, Rayong, Sa Kaeo, Trat. 5

In the South of Thailand, there are 14 provinces. These provinces comprised the following provinces: Chumphon, Krabi, Nakhon Si Thammarat, Narathiwat, Pattani, Phang Nga, Phatthalung, Phuket, Ranong, Satun, Songkhla, Surat Thani, Trang, Yala. 6

In the Northeast which is the biggest part of Thailand, there are 19 provinces consisting of Amnat Charoen, Buri Ram, Chaiyaphum, Kalasin, Khon Kaen, Loei, Maha Sarakham, Mukdahan, Nakhon Phanom, Nakhon Ratchasima, Nong Bua Lamphu, Nong Khai, Roi Et, Sakon Nakhon, Si Sa Ket, Surin, Ubon Ratchathani, Udon Thani, Yasothon. 7

In the central part of Thailand, there are 19 provinces consisting of Ang Thong, Phra Nakhon Si Ayutthaya, Bangkok (Krung Thep Maha Nakhon), Chai Nat, Kanchanaburi, Lop Buri, Nakhon Nayok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phetchaburi, Prachuap Khiri Khan, Ratchaburi, Samut Prakan, Samut Sakhon, Samut Songkhram, Saraburi, Sing Buri, Suphan Buri. 8
Climate:

Thailand is a tropical country. Its atmosphere is warm and rather humid. The climate is monsoonal, marked by a confirmed rainy season lasting from about May to September. It witnesses a relatively dry season for the remaining periods of the year. Temperature is highest in March and April, and lowest in December and January. The average temperature of the country is 23.7°C to 37.5°C.9

Population:

The population of Thailand is approximately 64,865,523 million (2004), with an annual growth rate of about 0.91 percent. The population includes descendants of ethnic Chinese, Malays, Khmer, Lao, Vietnamese, Indians, and others. The age structure of the Thai population can be shown through the description that the age during 0-14 years old is 24.1% i.e. male for 7,985,724 and female for 7,631,337, the age during 15-64 years old is 68.7% i.e. male for 21.998.552 and female for 22,538,765, the age during 65 years old over is 7.3% i.e. male for 2,167,421 and female for 2,543,724. The median age indicates that the total age is 30.5 years old i.e. for male is 29.7 years old and for female is 31.2 years old. Life expectancy of birth is 71.41 years old i.e. for male is 69.23 years old and for female is 73.71 years old. And the national literacy shows that population age approximately at 15 year olds and over can read and write. It can be further classified that the total population of literacy rate is 96%, for male is 97.5% and for female is 94.6%. 10
Religion:

The status of region may be evaluated with full details. Buddhism is the national religion that bears the professed faith of 95 percent of the population. Islam, Christianity, Hinduism, and others are embraced by the rest of the population. There is absolute religious freedom. The King of Thailand, under constitution and in practice, is patron of all major religions embraced by the people. Religion plays a significant role in the life of Thai people. It is a significance component of the society, the family and the community. It can be said that religion plays a vital role in the building of Thai characteristics of being calm, helpful and forgiving as well as showing a willingness to compromise. Buddhism reached Thailand in the Deravati period the 10th – 14th centuries and became the religion of Thai majority over the years. Thai Buddhism follows the Hinayana school of Buddhism which teaches four sublime Truths.\textsuperscript{11}

Language

Thai is the official national language, spoken by almost 100 percent of the population. It is a tonal language, uninfected, and predominantly monosyllabic. Most polysyllabic words in the vocabulary of Thai have been borrowed, mainly from Khmer, Pail, or Sanskrit. Dialects are spoken in rural areas. Other languages that are being spoken in the country are Chinese and Malay. English is a mandatory subject in the convent schools. It is widely spoken and understood, particularly in Bangkok and other major cities.\textsuperscript{12} However, the impact of the mother tongue i.e. Thai on the people of Thailand is so that no foreign language of the world seems to occupy a prominent place in the country. Thai people are not compromising in the choice of language.
Historical Review

At Lang Rong Rien in northern Thailand, the oldest settlement is calculated to be around 40,000 years old. The findings from the Spirit Cave indicate that domestication of plants may already have started around 10000 BC. New examinations will probably balance the traditional understanding that Thailand did have a general association with the Hoabinh culture. Findings from Non Nok Tha and Ban Chiang in the northeast indicate that bronze managing and ceramic productions took place in Thailand before 2000 BC. This is due to rapacious diggers dating of many findings. At the beginning of our chronology, the mainland of Southeast Asia was most likely dominated by a mon-khmer speaking people. They did probably occupy the country Funan, mentioned in Chinese sources, which include parts of Thailand. In the northern Thailand around 500 B.C., the mon-country Dvaravati was established by following the Indian base of sources. Around year 1000, from north immigrated Thai people who then occupied the lower extent of the Chao Phraya River.

Thailand means "land of the free". Throughout its 800 years’ history, Thailand boast distinctively that it has been the only country in Southeast Asia that has become the part of British or any other colonization. The history of Thailand is divided into four major periods.  

Sukhothai Period (1238-1378 A.D.)

Situated on the banks of the Mae Nam Yom some 375 kilometers north of present-day Bangkok, Sukhothai was the cradle of Thai civilization, the place where its institutions and culture first developed. Indeed, it was in the late thirteenth century that the people of
the central plain, lately freed from Khmer rule, took the name Thai, meaning "free," to set themselves apart from other Tai speakers who were still under the impact of foreign rule.  

The first ruler of Sukhothai for whom historical records survive was Ramkhamhaeng (Rama the Great, 1277-1317). He was a famous warrior who claimed to be "sovereign lord of all the Tai". He used to finance his court with war booty and tribute from vassal states in Burma, Laos, and the Malay Peninsula. During his reign, the nation of Thai established diplomatic relations with China and acknowledged the Chinese emperor as nominal overlord of the Thai kingdom. Ramkhamhaeng brought Chinese artisans to Sukhothai to develop the ceramics industry that was a mainstay of the Thai economy for 500 years. He also devised the Thai alphabet by adapting a Khmer script, which was derived from the Indian Devanagari script.

Sukhothai declined rapidly after Ramkhamhaeng's death, as vassal states broke away from the suzerainty of his weak successors. Despite the reputation of its later kings for wisdom and piety, the politically weakened Sukhothai was forced to learn in 1378 to the Thai kingdom of Ayutthaya.

Ayutthaya Period (1378-1767)

The Ayutthaya kings opened the doors to Khmer cultural influences from the very beginning. No longer, the paternal and accessible rulers that the kings of Sukhothai had been, Ayutthaya's sovereigns were absolute monarchs and assumed the title, Devaraja (god-king). The early part of this period saw Ayutthaya extended its sovereignty over neighboring Thai principalities and came into conflict
with its neighbors. During the 17th century, Siam (Thailand) started diplomatic and commercial relations with western countries.\textsuperscript{17}

In 1767, a Burmese invasion succeeded in capturing Ayutthaya. Despite their overwhelming victory, the Burmese did not retain control of Siam for long. A young general named Phraya Taksin and his followers went through the Burmese encirclement and escaped to Chantaburi. Seven months after the fall of Ayutthaya, he and his forces sailed back to the capital and expelled the Burmese occupation garrison.\textsuperscript{18}

**Thon Buri Period (1767-1782)**

The General Taksin, as he is worldwide, decided to move the capital from Ayutthaya to a site nearer to the sea which would facilitate foreign trade, ensure the procurement of arms, and make defence and withdrawal easier in case of a renewed Burmese attack. He established his new capital at Thon Buri on the west bank of the Chao Phraya River.\textsuperscript{19}

The reign of Taksin was not an easy one. The lack of central authority since the fall of Ayutthaya led to the rapid disintegration of the kingdom, Taksin's reign was spent in the reunion of the provinces.

**Rattanakosin Period (1782 - the Present)**

After Taksin's death, General Chakri became the first king of the Chakri Dynasty, Rama I, ruling from 1782 to 1809. His first action as king was to transfer the royal capital across the river from Thon Buri to Bangkok and build the Grand Palace. Rama II (1809-1824) continued the restoration begun by his predecessor. King Nang Klao, Rama III (1824-1851) reopened relations with the Western nations and developed trade with China. King Mongkut, Rama IV, (1851-1868)
concluded treaties with European countries, avoided colonialisation and established modern Thailand. He observed many social and economic reforms during his reign.  

*King Chulalongkorn, Rama V* (1869-1910) continued his father's tradition of reform, abolishing slavery and improving the public welfare and the administrative system. Compulsory education and other educational reforms were introduced by *King Vajiravudh, Rama VI* (1910-1925). During the reign of *King Prajadhipok*, (1925-1935), Thailand changed from an absolute monarchy to a constitutional monarchy. The king abdicated in 1933 and was succeeded by his nephew, *King Ananda Mahidol* (1935-1946). The country's name was changed from Siam to Thailand with the advent of a democratic government in 1939.  

**Political Background:**

**Modern Monarchy:**

**H.M. King Bhumibol Adulyadej**

His Majesty *King Bhumibol Adulyadej* is the ninth king of the *Chakri Dynasty*, the world's longest reigning monarch, and one of Thailand's most beloved kings who has been reigning for over 50 years, as a constitutional monarch. He maintained neutrality in times of crisis. He was born in December 1927, in Cambridge, Massachusetts USA, where his father, Prince *Mahidol of Songkhla* was studying medicine at Harvard University. His Majesty was the direct grandson of *King Rama V*, the third child (second son) of HRH Prince Mahidol of Songkla and *Mom Sangwala Mahidol* (HRH the Princess Mother). His given name was Prince *Bhumibol Adulyadej* meaning “Strength of the Land, Incomparable Power.”
After his death of his father, His Majesty lived mostly in Switzerland with his mother, sister and older brother. He studied science and engineering at Larsanne University, when his older brother, H.M. King Ananda Mahidol (Rama VIII), died in 1946, and he suddenly found himself the ninth Chakri King in succession. He returned to Switzerland to complete his education, changing from science to political science and law after considering his new role in the field of politics.  

His Majesty returned to Thailand to marry Mom Rajawonges Sirikit Kitiyakara in Bangkok on April 28, 1950, and seven days later His Majesty was officially crowned in ancient ceremonies held at the Grand Palace. In his Oath of Accession to the Throne, King Bhumibol Adulyadej pledged to “reign with righteousness for the benefits and happiness of the Siamese people.” Their Majesties, the King and Queen had four children: HRH Princess Ubol Ratana, born on April 5, 1951; HRH Crown Prince Maha Vajiralongkorn, born on July 28, 1952; HRH Princess Maha Sirindhorn, April 4, 1955; and HRH Princess Chulabhorn, July 4, 1957.

His Majesty had visited every province of Thailand, and had initiated several projects for the welfare of all Thai people. For instance, the land and water resources conservation program was started, including the much-publicized rainmaking program, and the livelihood of improvement programs for hill-tribes and farmers in the rural areas of the country. Thai people have a deep and traditional reverence for the king and Royal Family. To a very large degree, H.M. King Bhumibol’s popularity mirrors his deep interest in his people’s welfare. He was concerned intensively with every aspect of Thai life. He and his wife, H.M. Queen Sirikit, had turned to devote themselves exclusively to his
developmental projects to improve the welfare of the people throughout the country. 25

H.M. Queen Sirikit

Her Majesty, Queen Sirikit was born on August 12, 1932. An astrologer predicted at that time that the infant Mom Rajawonges Sirikit would be queen one day. Her Majesty’s early education was at Rajini School and later at St. Francis Xavier Convent School, both in Bangkok. After the World War II, she went to Europe with her father who was the then ambassador to England and France. Her Majesty met H.M. King Bhumibol Adulyadej in Europe. 26

From the time she became queen, H.M. Queen Sirikit had closely supported H.M. King’s projects and espoused the cause of Thai women. For more than 40 years, she has been working tirelessly to improve their lot. She gave them opportunity to earn extra cash money and pride in producing handicrafts. Her Majesty’s projects also covered the conservation of water resources, environment and reforestation.

Her Majesty is also an avid conservationist of wildlife, herbs and rare exotic plants. Because of her dedications, she had received innumerable awards from all over the world. For her work among rural women, Queen Sirikit was awarded the prestigious Ceres Medal by the Food and Agriculture Organization of the United Nations. In 1988, she was awarded and Honorary Fellowship in Great Britain’s 470-year-old Royal College of Physicians for her deep concern for the health and welfare of the people of Thailand. She is the first woman to receive the Lindbergh Foundation Award in 1995 in recognition of her efforts to help the rural poor of Thailand, and for her unceasing efforts in the fields of conservation and environment. Their Majesties had taught
the Royal children and grandchildren to work hard for the country and its people.\textsuperscript{27} Now, the Thai Royal family is considered as one of the hardest working royal family in the world, gaining respect from their people as few monarchies in the world have earned.

**Economy**

Thailand has a free-enterprise economy and welcomes foreign investment. Exports feature textiles and footwear, fishery products, rice, rubber, jewelry, automobiles, computers and electrical appliances. Thailand has recovered from the 1997-98 Asian Financial Crisis and was one of East Asia's best performers in 2002. Increased consumption and investment spending and strong export growth pushed GDP growth up to 6.3\% in 2003 despite a sluggish global economy. The highly popular government has pushed an expansionist policy, including major support of village economic development.\textsuperscript{28}

The GDP (2003) purchasing power parity is US$ 475.7 billion, the GDP (2003) real growth rate 6.3\%, GDP – per capita: purchasing power parity US$ 7,400, GDP composition by sectors: agriculture 9\%, industry 42\% and services 49\%.\textsuperscript{29}

**Industrial Development in Thailand**

The industry is the backbone of the economic development of any nation. Thailand witnessed the industrial development, which, in turn, helped other sectors to develop. The dynamic changes in the world has witnessed the economy, which compelled the Thai economy to restructure the industries in such a way that it would add to expected economic growth of the nation. The Thai Government tried so hard to develop the industrial sector and maintained the high rates of the
industrial growth. We shall now see, in brief, how industrial development has arrived at its expectation in Thailand.

The industries in Thailand have traditionally been closely linked with the agricultural sector. From the post-war years up to the late 1950s, the major processing were industries prevailed to supply local needs – rice mills, saw mills, sugar mills, rice factories, textile and gunny bag factories, tobacco leaf curing plants and cottage or household industries, such as fabric weaving and basketry. All these industries grew up because of the free market forces and the limited financial cushion provided by the government.  

The modern industrialization started in the early 1960s in Thailand. Although the first industrial Promotion Act was promulgated in 1954, it was executed only in 1960 with the establishment of the Board of investment. This Act was revised in 1962 to promote investment in specific activities mainly through tariff protection, tax holidays and reduction of taxes on imported raw materials and machinery. A new law was introduced in accordance with the government’s shift in policy from an import-substitution to an export-oriented economy.

In 1960s, the industrial activity was concentrated on food processing, which accounted for over one-third of total manufactured products. Other significant products were beverages, tobacco, garments and chemical compounds. From 1960-1969, the fastest growing was the petroleum products industry, averaging 103.1 percent per year. However, between 1980-1988 the average growth rate declined to only 3.4 percent per year as a result of the diversification of the industrial sector.

The intermediate products, like electrical machinery, iron and steel, metal products, and non-metallic products also expanded
rapidly. Because of the relatively high growth rate of these industries, the structural change took place in this sector. Instead of concentrating on a few industries, the manufacturing sector activities are broadened to encompass several new groups of industries. Thus, in 1970, more intermediate products were manufactured e.g. electrical machinery, transportation equipment, textiles and garments not only to substitute for imported products, but also for exported products. Between 1986 and 1988 textiles and garments were the most important and relatively dominant industry, accounting for 29.2 percent of principal export. 33

Viewing the industrial development in Thailand, the following observations can be taken out as the excellent observations:

1. A high degree of diversification has taken place in the industrial activity in Thailand. However, today, industrial activities in Thailand have become more complex than in the 1960s. By the 1970s, the Thai economy reached to the stage where component parts and other intermediate capital goods are being locally produced. As a result, Thailand domestic industries do not require more import which helped latter on to reduce the imports. The industries in Thailand are moving towards export- oriented and value added goods, which are highly competitive and readily acceptable in the international market.

2. The industrial development in Thailand during 1980s has changed the structure of its manufacturing sector. The relative importance of processing industries had diminished in favour of the labor-intensive industries. Industries whose products were highly demanded in the market are expanded. They were automobiles, tires, cement, plywood and furniture, paper and pulp, and beverages. The growing export industries included integrated circuits, textiles and food processing.
At the end of 1980s, especially since 1987, the manufactured products had increased dramatically to become the leading sector of the Thai economy. The growth of manufacturing production reached 12.6 percent in 1987. The manufacturing output continued to increase at a high rate of 15 percent in 1989. It may be because of the favourable conditions in domestic and foreign markets. The policy of the Government also helped to promote its production and exports. The manufacturing sector contributes 26 percent of the over all Gross Domestic Product and established itself as the most prominent sector of Thai economy.\textsuperscript{34}

**Formulation of Problem:**

As is unfolded earlier that King Nang Klo Rama III and King Monkut Rama VI began to excellerate the process of modernization in Thailand. Remarkably King Rama IV managed to avoid colonialisation instead he systematically pushed modernization of Thailand involving in European treaties. Subsequently Rama V, Rama VI, King Prajathipok, King Ananda Mahidol and the present King Bhumibol Adulades contributed a lot in Thailand all sided development – the Political, Economic, Social and Cultural.

Among the Third world countries, Thailand come out as increasingly powerful state from the point of trade, industry and communication. What is significant about the strategies of development that have adopted by Thailand is not to go totally with the style of liberalization, privatization and globalization but to have it’s own way of development. Precisely this is the main reason why Thailand has been developing its industry and most particularly, the field of communication technology. It confirms from the fact that the process of economic
development in the second half of the twentieth century spread to Four Tigers – Hong Kong, Taiwan, South Korea, Singapore and then to China, Malaysia, Thailand and Indonesia and now is taking hold in Philippans, India and Vietnam.\textsuperscript{35}

The Postwar Asian experience showed that late modernizers were actually advantaged relative to more established industrial power as earlier liberal trade theories has predicated. The late modernism in Asia beginning with Japan where able to purchase the most updated technologies from the United States of America and Europe and unburdened by aging and inefficient infrastructure, were able to become competitive in hi-take areas with in a generation or two. This proved to be true not only for Asia as well as where those countries like Thailand and Malaysia that started their development process latter than Japan and South Korea have experience no relative disadvantage.\textsuperscript{36}

It is also argued that the experience of Multinational Corporation and companies in Thailand are equally worst in protecting the human rights. For instance, some 240 young workers locked inside by security guards were burnt to death and five hundred injured in a Kadar Factory. Hong Kong is based on the wealthy Thai and Taiwanese investors, the corporation employees mostly young women from rural areas, who prefer these options to the flourishing sex industry, one of the free market Triumphs. The factory was ‘death trap’ in which three earlier fires had been ignored – AFL – CIO President Lane Kirkland commented in a press release to the business, foreign and labour editors. These particulars are supplied more by the factory than a dozen major U.S. Companies including Tyco, Fisher Price, J.C. Penny and Hasbro, more than twenty other companies, including Toys ‘R’ US and \textit{Wat Mart},
purchase goods made in Kader factories in Thailand where conditions are similar. These companies cannot deny knowledge or responsibility for the abysmal working condition in Thailand in the first place. They can literally work people to death in the course of what American business executive call saying competitive in the world economy. Nor can the press or government deny their knowledge. There appears to have been no report in the major press.  

One of the American twentieth century philosophers is John Dewey. He opined that the very institution of private power undermines democracy and freedom. He was free to talk about this anti democratic power, which he had in mind: “Power today resides in control of the means of production, exchange, publicity, transportation and communication. Whoever owns them rules the life of the country”. Even though, democratic forms exist without any question: “Business for private profit through private control of banking, land, industry reinforced by command of the press, press agent and other means of publicity and propaganda” – that is a system of actual power, the source of coercion and control and until it is unraveled. We cannot talk seriously about democracy and freedom. In free and the democratic society workers should be the master of their own industrial fate not tools rented by employers, a position that traces back to leading ideas of classical liberalism articulated by William V on Humboldt and Adom Smith among others. It’s illiberal and immoral to train children to work, not freely and intelligently, but for the sake of work earned, in which case their activity is not freely participated. Hence, industry must be changed from feudalistic to a democratic social order based on workers control and federal organization in the style of G. D. H. Cole’s guild
socialism and much anarchist and left – Marxist through As for production is ultimate aim is not production of goods but the production of free human being associated with modern industrialism in the state capitalist or state socialist varieties. It also takes into consideration the roots in the classical liberal ideas.  

In the changing economy of East and South East Asia, it was hard to find out any up-and-coming domestic private capitalist who could be described as the diving force. The State rather was decisive factor. However, it was not strong suit of the dependency theorist. They continued along the international path instead. They defined in the new economic miracles as quite simply the result of a new international division of labour, which has arisen along side the old one. In the forms time main task of developing countries had been to produce raw material while developed countries had legally manufactured industrial products. Now, the claim was the ever more advance and powerful capitalism as they had made it possible for expensive transnational corporation to locate some of their industrial production in developing countries with a favorable business climate.  

The policy of Thailand Government has remained adjustable since beginning in order to minimize the both extremes the American capitalism and authoritative state ownership. Thai government in the 1950’s toed the line of British policy of public sector. It began to control basic utilities services as well as infrastructure development activities, namely water supply, electricity power supply, communication and transportation. It is clear that the role and functions of the government reduced to minimal in the event of libertinism triumph on the concept of state planning and control for so many years. The air of
liberalism, globalization and privatization has swept across the world. Almost all the countries that have brought under the fold of Americanization and began to withdrawn from the controlling economic activities in the interest of having economic freedom and privatization. This has many implications on the process of economic development in Thailand. The government of Thailand, of course, has given space to American and European investors for establishing multinational companies since long. Nevertheless, the policy of Thailand is to control electricity, water supply, communication, and transportation. Not only that Thailand government remained strict to have 50 public corporation and companies in its hand, through there is large amount of networking of foreign investors. It should be clearly stated that, the state owned enterprises in Thailand to some extent giving befitting answers to the private enterprises in terms of production, distribution, profit and services. Undeniably, the success has been achieved by some of the public enterprises i.e. telephone organization of Thailand (TOT).

The TOT is functioning in the field of communication technology even in the background of private initiatives. In spite of this, the TOT has built its network throughout Thailand Urban as well as rural areas. In the year 2000, the total number of customers can show fascination of the TOT, which is 2.876 million. In Bangkok, there are 1.439 million customers, while there are 1.437 million customers in all the provinces. The 270 service centers have been established for looking after the work of TOT in Thailand. In Bangkok city alone, there are 49 Service Centers. Later on in the year 2002, the more fascination of the TOT can be known by the total increase of the customers spread over the country, which is 8,033,863 million. Meanwhile, the TOT has earned 3,147.15 million Baht profit per year (see the information “highlights of the TOT’s operations”).
HIGHLIGHTS OF TOT’S OPERATIONS

Financial Information

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>54,963.82</td>
<td>35,692.23</td>
</tr>
<tr>
<td>Total expenses</td>
<td>33,422.20</td>
<td>29,158.05</td>
</tr>
<tr>
<td>Profit before interest expenses and income tax</td>
<td>21,541.62</td>
<td>6,534.18</td>
</tr>
<tr>
<td>Net profit</td>
<td>20,489.33</td>
<td>3,147.15</td>
</tr>
</tbody>
</table>

Financial Position

<table>
<thead>
<tr>
<th></th>
<th>As of July 30, 2002</th>
<th>As of December 31, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>281,277.48</td>
<td>284,929.19</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>88,567.62</td>
<td>197,966.44</td>
</tr>
<tr>
<td>Total equity</td>
<td>194,709.86</td>
<td>86,962.75</td>
</tr>
</tbody>
</table>

Operational Information (1)

<table>
<thead>
<tr>
<th>Item</th>
<th>As of December 31</th>
<th>Change Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
<td>2001</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Percent</td>
</tr>
<tr>
<td>Number of basic telephone exchanges (unit: exchange)</td>
<td>1,879</td>
<td>1,811</td>
</tr>
<tr>
<td>Service capacity</td>
<td>Basic telephone (unit: line)</td>
<td>8,033,883 7,840,279</td>
</tr>
<tr>
<td></td>
<td>Mobile telephone 470, 900 MHz (unit: line)</td>
<td>12,814,517 12,297,099</td>
</tr>
<tr>
<td></td>
<td>Integrated Services Digital Network (ISDN) (5)</td>
<td>86,730 83,976</td>
</tr>
<tr>
<td></td>
<td>- BAI type (Unit: BAI)</td>
<td>1,567 1,490</td>
</tr>
<tr>
<td></td>
<td>- PRI type (Unit: PRI)</td>
<td>96,500 93,780</td>
</tr>
<tr>
<td>Services being subscribed</td>
<td>Basic telephone (unit: line)</td>
<td>8,568,771 6,169,318</td>
</tr>
<tr>
<td></td>
<td>Fixed-line telephone</td>
<td>6,241,406 5,894,147</td>
</tr>
<tr>
<td></td>
<td>Public telephone</td>
<td>325,365 271,171</td>
</tr>
<tr>
<td></td>
<td>Mobile telephone 470, 900 MHz (unit: line)</td>
<td>10,168,555 8,826,576</td>
</tr>
<tr>
<td></td>
<td>Integrated Services Digital Network (ISDN) (5)</td>
<td>11,792 9,028</td>
</tr>
<tr>
<td></td>
<td>- BAI type (Unit: BAI)</td>
<td>772 455</td>
</tr>
<tr>
<td></td>
<td>- PRI type (Unit: PRI)</td>
<td>12,81 12,64</td>
</tr>
<tr>
<td>Line capacity of basic telephone service per 100 population (6)</td>
<td>10.47 9.93</td>
<td>0.54</td>
</tr>
<tr>
<td>Number of basic telephone lines connected per 100 population (2)</td>
<td>5.19 4.37</td>
<td>0.82</td>
</tr>
<tr>
<td>Number of employees (unit: person)</td>
<td>21,645 22,615</td>
<td>(970)</td>
</tr>
</tbody>
</table>

Remark
(1) Including joint ventures and joint operation services
(2) Consisting of fixed-line telephone and public telephone
(3) For TOT’s operation only
Taking into consideration the spread up of the networking of the TOT and the enhancement of the number of customers, the TOT is able to compete the private investors in the field of mobile as well as land line. The success of the TOT has been considered as a surprise in present of the background of privatization. It is argued that there is total failure of the public corporation and government companies because of loses, efficiency, redtapism which prevails in these agencies. This has not come true in case of the working of the TOT.

Nevertheless, it is obvious from the above facts that the TOT is doing exceptionally well in the field of communication which attracts the attention of researches. On one hand, the economic policy of Thailand government supports privatization. On the other hand, it promotes and motivates the state owned enterprise such as telephone organization. What has tempted to Thailand to support the both lines? As it has cleared that, almost all south East Asian countries adopted the path of going with west. However, it needs to be understood why and how government owned enterprise like the TOT has been managed to be out of area of privatization. How does the TOT work? How efficiency is ensured whether the employees are satisfied with organization? Whether the customers are satisfied with the TOT or not? considering above background, the some hypothesis have been set for present study.

Since the development of communication system is considered as a key factor in the development of Thailand. Thailand gave its major thrust on the development of the Telephone Organization. As a result, the Telephone services have not only existed all over Thailand, but they are also continuously on increase. For instance, the government has since mid 1991, launched a five-year programmed to
install 3 million additional phone lines, improving proportion from 2.88 lines to 10 lines per 100 populations in 1995, it is found that there are 5 million new subscribers in the country in addition to previous subscribers. The Telephone Organization and Communication Authority have successfully been utilizing the most modern technology in support of the private and commercial requirements. These include the introduction of Cellular Telephone Services, Satellite Communication and Microwave Networks. Such type of telephone networking has been developed in order to improve upon the trade and business and to promote economy.

The TOT is Thailand’s one of main Public Enterprises. However, the present period of liberalization, privatization and globalization across the world is not suitable or conducive to the growth of any public undertaking. The private industries have also allowed building up the network in the area of Telephone. In spite of these adversaries and conflicting situation, the TOT in emerged as strong industry which attracts the attention of the researchers to study the working of the organization from various stand points.

The personnel administration mainly plays important role in the success of the TOT in terms of “efficiency”, “income generation” etc. This tends to understand the very nature of the administration in general and peep into deep of the personnel administration of the TOT: its networking and functioning. Secondly, what kept the personnel; executives and official working efficiently? This found to be the relevant point for the scientific inquiry. Thirdly whether the customers are really satisfied on the service centered approach of the TOT? How far the TOT creates the favorable condition for promoting business and trade? Is the Telephone Organization democratized with providing the opportunities
of the participation of Thai people? These are some of premises of the present study to discuss, analyze and identify issues pertaining to the TOT organization.

**Hypothesis**

1. The Telephone Organization in Thailand (the TOT) plays major role in the over all development of Thailand in general and economic development in particular.

2. The general administration began to develop in Thailand from the period of the King Sukhothai and is developing on the basis of the principles of Western administration since the period of Rama V (in Bangkok). This has proved to be supportive to the strong emergence of communication system.

3. The set up of personnel administration was not properly structured in the past but in recent year, it began to develop on the line of western system of communication.

4. Since the TOT works under the control of Thai Parliament and Government, it has no autonomy of functioning to the large extent. This arrangement has been made in the interest of the people of Thailand.

5. The personnel or officials working in the TOT feel satisfied with their organization in terms of emoluments and the benefits.

6. The customers are **partially** satisfied with the services rendered by the TOT in Bangkok city.
Objectives of the study:

The following are the objectives of the study:

1. This study examines the socio-eco-political condition of Thailand.
2. This study aims at examining the evolution of Telephone Organization in Thailand.
3. This study highlights on an operative mechanism (set up) focusing on special role of personnel administration.
4. This work aims at to study the Telephone Organization its evolution structure and function.
5. This study highlights on area of autonomy provided to the TOT and discusses the control of Parliament and the Government over the TOT.
6. This study also focuses on the problems and grievances of the employees who are working in the TOT.
7. This study also aimed at to examine the TOT’s functioning from the eyes of customers.

Methodology:

Research Methodology

The present study is based on both the primary and the secondary data. The primary data collected from holding the interviews of the officers and executives, of the Telephone Organization of Thailand with the help of providing the questionnaires to them. The customers were also interviewed. For this study, the Statistical Package for the Social Science (SPSS) SPSS for window has been used to analyze the data from questionnaires about the TOT’s customers behavior and the TOT’s officers including the TOT’s
executives. The secondary data pertaining to this study is collected from different sources like the Report of Telephone Organization of Thailand, Thai journals, books, newspapers, articles, unpublished documents of Telephone Organization of Thailand.

Field Work:
This survey is conducted in Bangkok city for four months. The structured questionnaire was provided to the respondents. There were three kinds of respondents – customers of the TOT, the officer and executive of the TOT. Since researcher is from Bangkok city, it has got ample opportunity to know the customers, officers and executives and there background from close corner. He has succeeded in collecting rare information from them for the use of the present research. In addition to this, efforts were made to contact very often the TOT main office for collecting the data – reports, statistics etc. The researcher visited the TOT Academy, which has proved to be helpful in having more useful data regarding the training of employees or officers. Moreover, the experience during the survey has enriched database.

Chapterization of the Thesis:
The first chapter discusses about the formulation of the research problem, hypothesis, importance of the Topic and objective of the study. The second chapter highlight on the General Administrative System of Thailand. The third chapter attempts to present the historical Development of Transportation and Communication System in Thailand particularly focusing upon the changes that have occurred from time to time in regard of providing utility services to the people.
The fourth chapter focuses on the Historical Background of Telephone in Thailand (the TOT) including hierarchical set up in Telephone organization and selection of the personnel, training, promotion, salary, retirement and so on of the TOT only. The fifth chapter throws light on the control over the TOT Administration and explains that the government as well as parliament uses various devices as per the provision of the TOT Act of 1954 in order to control the functioning. The sixth chapter explains the grievances of the personnel in the TOT with the help of undertaking the interviews of 75 respondents including the Officers and Executive. The seventh chapter is a result of the survey of the Division of Telephone organization in Bangkok city regarding the customers’ opinions about the TOT services. The last chapter is the concluding one.
References

1. Government of Thailand, *Thailand in 80s, National Identity*
   Office the Prime Minister, Victory power point Corp., Ltd.,
   Bangkok, 1991, pp. 132-135

2. Government of Thailand, *Thailand in 90s, National Identity*
   Office the Prime Minister, Victory power point Corp., Ltd.,


5. Ibid. http://www.photius.com


Sources: The Library of Congress Country Studies; CIA World
Fact book. (Reference 3-8)

   Information Department, ministry of Foreign Affairs, Bangkok,
   August 1985, p. 8


    2002. P.19

12. Thanet Charoenmuang, *100 Years of Thai Local Government*
    *1887-1997*, Kobsai Publisher, Bangkok, 1997 (in Thai)


17. Thanet Charoenmuang, *100 Years of Thai Local Government 1887-1997*, Kobfai Publisher, Bangkok, 1997 (in Thai)


**Sources:** The Library of Congress Country Studies; CIA World Fact book.


**Sources:** The Library of Congress Country Studies; CIA World Fact book.