

CHAPTER II

INCOME DISTRIBUTION AND EDUCATION IN THAILAND

This chapter is divided into six sections. The first section presents income distribution of Thailand during the past periods. The second and third sections explain Thai educational system, and current educational reform in Thailand respectively. Educational attainment of Thai population is shown in the fourth section. The fifth one presents educational budget of Thailand, and the last one compares income inequality, educational attainment, and educational budget of Thailand.

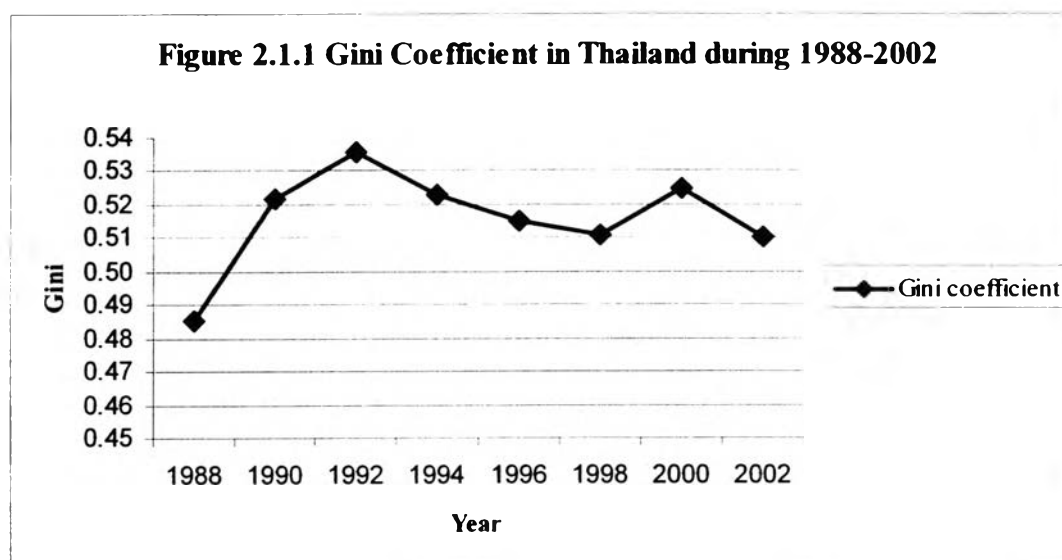
2.1 Income Distribution in Thailand

Thailand has large discrepancies between the rich and the poor. The inequality of income tends to increase its intensity during developing period.

Table 2.1.1 Gini Coefficient in Thailand during 1988-2002

Year	1988	1990	1992	1994	1996	1998	2000	2002
Gini	0.485	0.522	0.536	0.523	0.515	0.511	0.525	0.510

Source: National Economic and Social Development Board



Source: National Economic and Social Development Board

From Figure 2.1.1, Gini coefficient from 1988-1992 was continuously increasing. After that the trend of Gini coefficient has declined steadily except 1998-2000. During 1994-1998 which was during economic crisis, Gini coefficient was lower, but after economic stimulating plan, economy began to recover, so the inequality rose again. However, income distribution in Thailand began to improve slightly in the later period. Gini coefficient decreased from 0.525 in 2000 to 0.510 in 2002.

Table 2.1.2 Gini Coefficient in Thailand by Region during 1988-2000

Region	1988	1990	1992	1994	1996	1998	2000
Bangkok	0.485	0.522	0.536	0.523	0.515	0.511	0.525
Vicinitys	0.388	0.422	0.456	0.411	0.401	0.415	0.417
Central	0.427	0.473	0.438	0.484	0.429	0.442	0.448
Northern	0.446	0.469	0.475	0.462	0.456	0.459	0.468
Northeastern	0.437	0.427	0.464	0.472	0.463	0.456	0.479
Southern	0.459	0.471	0.482	0.501	0.463	0.491	0.474

Source: National Economic and Social Development Board

By region, Bangkok seemed to have the most inequality of income, while vicinities have the most equality. Within region, Gini coefficient of Bangkok, vicinities, and Northern area followed the trend of the country which reached the highest value in the year 1992, and then continuously decreased until 2000. Central and Northeastern had the highest Gini coefficients in 1994, but after that they also had the same trend. (See Table 2.1.2)

2.2 Thai Educational System

Considering the present educational system, various types and methods of learning are offered to learners. Education is classified into three types: formal education, non-formal education, and informal education.

2.2.1 Formal Education

Formal education services, through both public and private bodies, are provided inside the school system. It has fixed methodology, curriculum, duration of study, and grading and examination. It is divided into two levels: basic education, and higher education.

2.2.1.1 Basic Education is provided before higher education, covering pre-primary, six years of primary education, three years of lower secondary education, and three years of upper secondary education.

Previously covering only six years of primary education, compulsory education has been extended to nine years covering six years of primary education and three years of lower secondary education according to the 1999 National Education Act. This requires children at the age of seven to enroll in basic education

institutions until the age of sixteen except for those who have already completed grade nine.

2.2.1.2 Higher education is provided in universities, institutions, colleges or other types of institutions. It is divided into two levels: associate degree and degree levels. In terms of Associate's degree or diploma level, the majority of courses offered are related to vocational and teacher education which require two years of study. For degree level, the study programs require two years of study for students who have completed diploma courses, and four to six years of study for those finishing upper secondary education or equivalent courses. The first professional qualification is a bachelor's degree obtained after four years of study, but some fields require five or six years of study. Advanced studies of at least one but generally two years, combined with a thesis, lead to the award of a master's degree. A doctorate requires additional three years of study following a master's degree. An advanced diploma or certificate may be obtained after one or two years of course work. It is designed for students who already possess a degree or professional qualification.

In addition, the provision of formal education mentioned above also includes the following types.

2.2.1.3 Special education is provided for children who are hearing-impaired, mentally retarded, visually-impaired, physically-impaired or health-impaired. Other groups of children who need special education services are specific learning-disabled, autistic, emotionally or behaviorally disordered, as well as gifted and talented children. The teaching and learning of special education is organized in both special and inclusive schools.

2.2.1.4 Vocational and technical education including training is conducted at three levels: upper secondary, leading to the lower certificate of vocational education; post-secondary, leading to a diploma or the associate's degree in vocational education; and at university level, leading to a degree.

2.1.1.5 Special vocational education includes sports schools provide admission and full financial support to students with a particular talent for sport from all over the country, and dramatic arts and fine arts college offer certificates equivalent to lower and upper secondary education.

2.1.1.6 Education for Ecclesiastics is offered lower and upper secondary education in various Buddhist temples. Apart from general subjects, the courses include learning religious practice, Buddhist doctrine and the Bali language.

2.1.1.7 Specialized education, both at basic and higher education levels, is provided by ministries, bureaus, departments, state enterprises and other public agencies in accordance with their needs and expertise. Courses are offered for graduates from primary schools to upper secondary schools, both from general and vocational streams.

2.2.2 Non-Formal Education

Non-formal education services are provided by both public and private bodies to those outside the school system, such as early childhood population, school-age population who missed formal schooling, and over-school-age population. It has flexible methodology, curriculum, duration of study, and grading and examination. There are a lot of types of non-formal education.

2.2.2.1 Provision of non-formal education for pre-school children is provision of educational services to two to six year old children or from birth to six years.

2.2.2.2 Provision of fundamental education for literacy is provided to promote for adults aged fourteen years and over who are still illiterate.

2.2.2.3 Provision of general non-formal education provides continuing education programs for those having no chance to study formal education from primary to higher levels, and is normally organized in public schools, official premises, factories, or organization. Learners are awarded the same qualification as those in the formal school system. The learning process is organized in three ways: classroom learning, distance learning, and self-learning.

2.2.2.4 Vocational and technical Non-Formal Education are composed of training course for vocational certificate, designed for primary school graduates who have no chance to study at a higher level. A certificate is equivalent to that of general lower secondary school. Short course vocational training is provided in many areas by both public and private institutions. It is designed to serve the needs for self-employment. Non-formal program for certificate in vocational education is provided through distance learning to lower secondary school graduates, both the unemployed and those working in public organizations and private enterprises. This program requires at least three years of study.

2.2.3 Informal Education

Informal education enables learners to learn by themselves according to their interests, potential, readiness, and the opportunities available from individuals, society, environment, media or other sources of knowledge as follows. The services provided include educational activities or academic, and professional programs for different target groups.

2.3 Educational Reform in Thailand

In the past, Thailand faced educational problems, such as low average educational attainment of population, inequality of education, and low quality of education resulted from teachers' quality, educational budgets, and general educational administration. Therefore, in 1999 the State issued the new National Education Act aiming to reform the overall education of Thailand in every aspect. Although this educational reform consumes a lot of resources and time, it is worth because when it succeeds, it will raise the average educational level of Thai people, reduce the inequality of education, and increase the quality of education which finally can raise income of Thai population.

This section will briefly discuss the overall educational reform in Thailand.

At present, the framework of education in Thailand is based on the 1999 National Education Act which provides the essence of educational reform. It includes nine points which are objectives and principles, educational rights and duties, educational system, national education guidelines, educational administration and management, educational standards and quality assurance, teachers, faculty staff, and educational personnel, resources and investment for education, and technologies for education.

According to 1999 National Education Act, all individuals have equal rights and opportunities to receive basic education provided by the State for the duration of at least 12 years. Such education, provided on the nationwide basis, shall be of quality and free of charge.

The core of this educational reform is learning reform which requires several tasks, such as developing curricula with the aim of improving the quality of

life suitable for each individual's age and potentiality, organizing the diversified learning process which provides training in thinking process, drills on practical work, and organizes activities for learners to draw from authentic experiences. Besides, the assessment of learners' performance is improved to represent the new way of learning process.

One of the most important factors for learning reform is teachers, faculty staff, and educational personnel but they have to be developed systematically from production and development of teachers, faculty staff, and educational personnel to establishment of an organization for teachers, and educational administrators for setting professional standards, issuing and withdrawal of licenses, overseeing maintenance of professional standards and ethics, and developing the profession of teachers, and educational administrators.

Another crucial reason for educational reform is increasing efficient of the system, administration and management. The reform in the system of administration and management is laying the qualified system of educational provision which develop Thai society to become learning society. In terms of administration and management, the ministry decentralizes powers in educational administration and management regarding academic matters, budget, personnel, and general affair administration directly to the committees and offices of the educational service areas, and educational institutions in the areas.

In addition, education reform is also interested in quality assurance to ensure improvement of educational quality and standards at all level. Such a system is comprised of both internal and external quality assurance. Educational institutions have to establish a quality assurance system in the institutions. Internal quality assurance is regarded as part of educational administration which must be a continuous process. This requires preparation of annual reports to be submitted to related agencies concerned and made available to the public for purposes of improving the educational quality and standards and providing the basis for external

quality assurance. All educational institutions receive external quality evaluation at least once every five years since the last exercise and the results of the evaluation should be submitted to the relevant agencies and made available to the general public.

Regarding educational reform supporting factors, this act clearly stated that there should be mobilization of resources and investments for general subsidies for per head expenditure with the needs of those receiving compulsory and basic education. These grants should be distributed on an equal basis.

Furthermore, technologies for education play an important role, especially in information and communication age. The State will distribute frequencies, signal transmission devices, and other infrastructure necessary for radio broadcasting, television, telecommunication radio, and other media of communication. Besides, they will develop technologies for education in order to support lifelong learning, and expand educational opportunities for all people.

2.4 Educational Attainment of Thai Population

There are two indicators measuring educational attainment: average year of schooling and enrollment ratio.

Table 2.4.1 Average Year of Schooling of Thai Population, 1996-2003.

Age-Group	1996	1997	1998	1999	2000	2001	2002	2003
15 and over	6.6	6.8	7.0	7.1	7.2	7.4	7.6	7.8
15-21	8.8	9.0	9.3	9.4	9.5	9.6	9.7	9.8
15-59	7.2	7.4	7.6	7.7	7.8	7.7	7.8	7.9
60 and over	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9

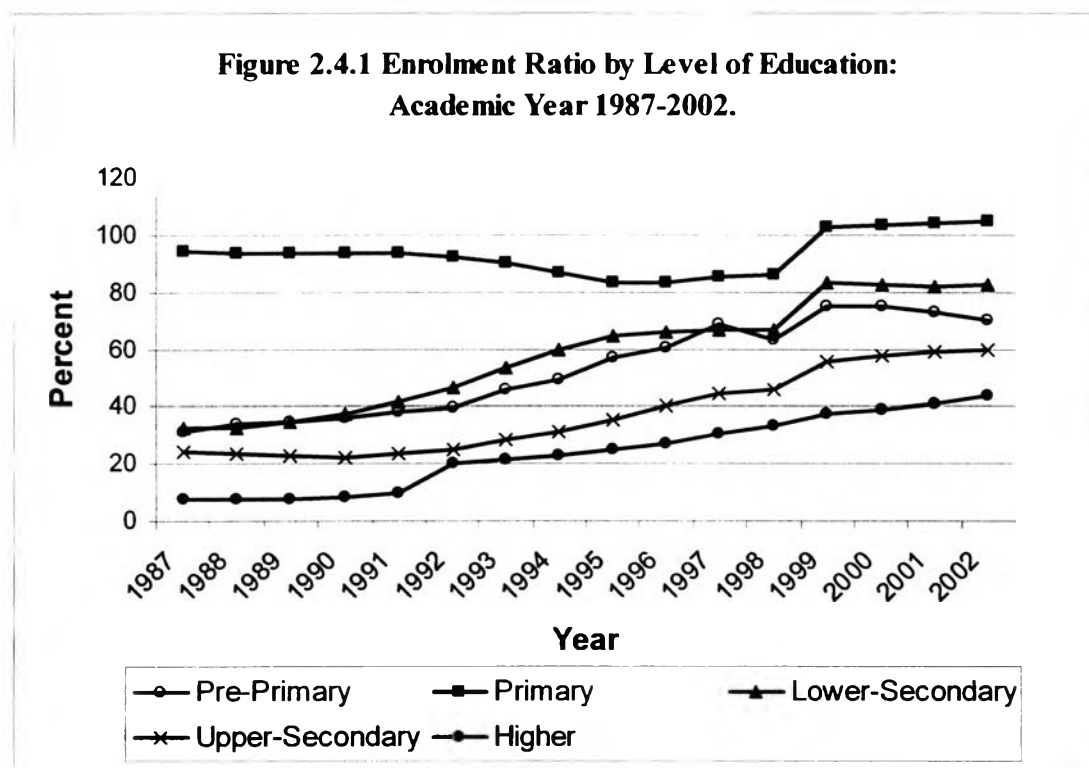
Source: Educational Information Center, ONEC

Following the National Education Act, the average year of schooling of Thai people at all ages is an increasing trend. Average educational attainment of people aged 15 years and over rose from 6.6 years in 1996 to 7.8 years in 2003. (See Table 2.4.1)

Table 2.4.2 Enrollment Ratio by Level of Education: Academic Year 1987-2002.

Year	Pre-Primary	Primary	Lower-Secondary	Upper-Secondary	Higher
1987	31.10	94.61	32.56	24.21	7.46
1988	33.65	93.56	32.81	23.39	7.33
1989	34.95	93.63	34.40	22.73	7.97
1990	35.98	93.82	37.19	22.54	8.58
1991	38.09	93.72	41.43	23.64	9.98
1992	39.30	92.58	46.82	25.29	19.81
1993	45.78	90.37	53.39	28.20	21.22
1994	49.11	86.86	59.66	31.53	22.56
1995	56.86	83.02	64.35	35.30	24.81
1996	60.25	83.49	66.03	40.16	26.78
1997	68.63	85.15	66.41	44.69	30.42
1998	63.09	85.87	66.77	45.94	33.13
1999	74.84	102.39	83.47	55.34	37.47
2000	74.93	103.14	82.70	57.40	39.03
2001	72.54	103.79	82.19	58.99	41.08
2002	69.94	104.77	82.23	59.82	43.81

Source: Ministry of Education



Source: Ministry of Education

Nowadays in Thailand, children are normally enrolled in pre-primary program at 3 years of age. The proportion of the 3-5 years age group in pre-schooling continuously increased from 31.1 percent in 1987 to 68.63 percent in 1997 before dropped to 63.09 percent in 1998. After that it reached nearly 75 percent before gradually decreased in 2001 until it was at 69.94 percent in 2002. The enrollment rate in six year primary education for 6-11 years age group stayed around 94 percent from 1987 to 1991 and then gradually dropped to 83.02 percent in 1995. After that it gradually rose to 85.87 percent in 1998. In 1999 it dramatically increased 102.39 before stood at the same level again around 104 percent during 2000-2002. The enrollment ratio at primary level is higher than 100 percent for several years as a result of repetition rate as well as the under-age and over-age population of students. The enrollment ratio at lower-secondary level kept increasing from 1987. Since 1995 the enrollment ratio at lower-secondary level also followed the similar pattern to primary education. It gradually rose from 64.35 percent in 1995 to 66.77 percent in 1998, and then suddenly increased to 83.47 percent in 1999 before slightly decreased to 82 percent during 2000-2002. At upper-secondary level, the enrollment ratio had an

increasing trend over sixteen years. It jumped from 45.94 percent in 1998 to 55.34 percent in 1999. After that, it continuously rose to 59.82 percent in 2002. The dramatic increase in enrollment ratio at pre-primary, primary, lower and upper-secondary in 1999 might result from the expansion of educational opportunities in rural areas and 1999 National Education Act that extends compulsory education from six years to nine years of primary education and three years of lower secondary education. The enrollment ratio of students pursuing a higher education was less than 10 percent before 1992. In 1992 it doubled from 9.98 to 19.81 percent, and then continuously increased. It reached 43.81 percent in the year 2002. A percentage of secondary school students accessing to higher education is expected to be higher in the following years as a result of the expansion of twelve-year basic education.

Both average year of schooling and enrollment ratio indicate that the educational attainment of Thai population is higher. Thus, in terms of quantitative development, there have been considerable achievements at all levels of education. However, there are educational inequalities, particularly in access of the provincial and low income population to educational services. Inequities have been found among different types of schools. The extension of lower secondary education in primary schools in rural areas has been essential to increasing access. However, rural schools in remote areas are less well equipped and have fewer well qualified teachers than urban schools. Graduates of rural schools are more likely to enter the vocational stream at the upper secondary level and less likely to proceed to higher education. Urban children have access to better quality schools with more opportunities to continue to post secondary education. In an attempt to provide equal educational opportunities, more educational institutions have been established. However, the majorities of educational institutions are situated in urban areas, particularly at higher level.

Table 2.4.3 Enrollment Ratio by Region and Level of Education, 1996-1997.

Region	Pre-primary		Primary		Lower Secondary		Upper Secondary		Vocational		Higher	
	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997
National Average	78.7	90.0	90.0	90.8	72.5	74.2	23.8	25.9	18.7	21.5	16.4	19.4
Central	73.7	81.4	90.0	92.0	75.7	74.4	24.9	25.8	31.3	32.3	39.1	45.1
Eastern	89.3	101.0	106.7	108.6	80.7	83.9	21.8	22.1	22.8	27.2	12.1	15.0
Northeastern	75.6	92.0	83.3	83.6	69.2	71.7	23.5	27.0	9.9	11.9	7.5	9.4
Northern	91.6	105.7	93.3	95.0	74.5	75.0	25.2	26.7	18.2	22.0	14.5	17.1
Western	79.9	88.6	99.3	100.3	74.7	77.0	20.8	21.5	20.5	24.7	9.6	10.4
Southern	72.9	79.8	92.0	91.3	70.1	73.9	23.9	25.6	23.2	27.4	12.7	15.7
Differences between regions with highest and lowest rates	18.7	25.9	16.7	25.0	11.5	12.2	4.4	5.5	21.4	20.4	31.6	35.7

Source: Educational Information Center, ONEC

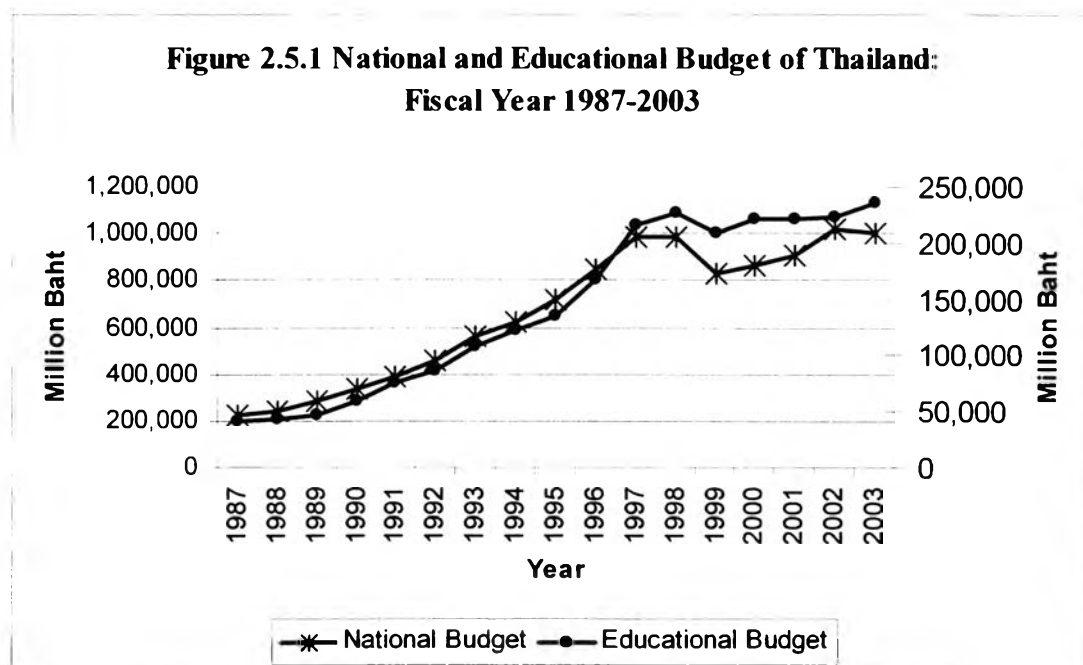
From Table 2.4.3, enrollment rates at all levels of education reflect disparities in access to educational services. In 1997 there were greater differences between the regions with highest and lowest enrollment rates at all levels of education, except in vocational education. The lowest rates were usually in the northeastern, the poorest region, particularly at higher level.

2.5 Educational Budget of Thailand

Table 2.5.1 Comparison of National and Educational Budget: Fiscal Year 1987-2003.

Fiscal Year	National Budget		Educational Budget		
	Amount (million baht)	Growth Rate (%)	Amount (million baht)	Growth (%)	% of E.B./N.B.
1987	227,500	7.5	41,111	4.2	18.1
1988	243,500	7.0	43,861	6.7	18.0
1989	285,500	17.2	47,358	8.0	16.6
1990	335,000	17.3	59,962	25.8	17.9
1991	387,500	15.7	74,861	24.8	19.3
1992	460,000	18.8	86,577	15.7	18.8
1993	560,000	21.6	108,070	24.8	19.3
1994	625,000	11.6	121,973	12.9	19.5
1995	715,000	14.4	135,309	10.9	18.9
1996	843,200	17.9	167,560	23.8	19.9
1997	984,000	16.7	215,162	28.4	21.9
1998	982,000	-0.2	226,610	5.3	23.1
1999	825,000	-16.0	208,614	-7.9	25.3
2000	860,000	4.2	221,051	6.0	25.7
2001	910,000	5.8	221,592	0.2	24.4
2002	1,023,000	12.4	222,940	0.6	21.8
2003	999,900	-2.3	235,444	5.6	23.5

Source: Ministry of Education



Source: Ministry of Education

Considering budget allocation in Thailand shown in table 2.5.1, educational budget grew every year. In fiscal year 1997, the year before crisis, it had a very high growth rate at 28.4 percent. Even in fiscal year 1997 when crisis started, educational budget still increased despite the lower growth rate. Although educational budget dropped 7.9 percent from 226,610 million baht to 208,614 million baht in fiscal year 1999, it was lower when compared to national budget which decreased 16 percent. In fiscal year 2000 both educational and national budget rose again. Educational budget grew 6%, while national budget grew 4%. Thus, during crisis the proportion of educational budget to national budget was continuously higher. However, during fiscal year 2001 and 2002, educational budget slightly increased, whereas national budget increased a lot. As a result, the proportion of educational budget to national budget during this period was lower. Since educational budget during crisis rarely decreased, after crisis it stood at higher level compared to 215,162 million baht in the year before crisis. In contrast, national budget decreased a lot during crisis, so it took several years to go back to the same level as it was before crisis.

2.6 Comparison between Income Inequality, Educational Attainment, and Educational Budget of Thailand

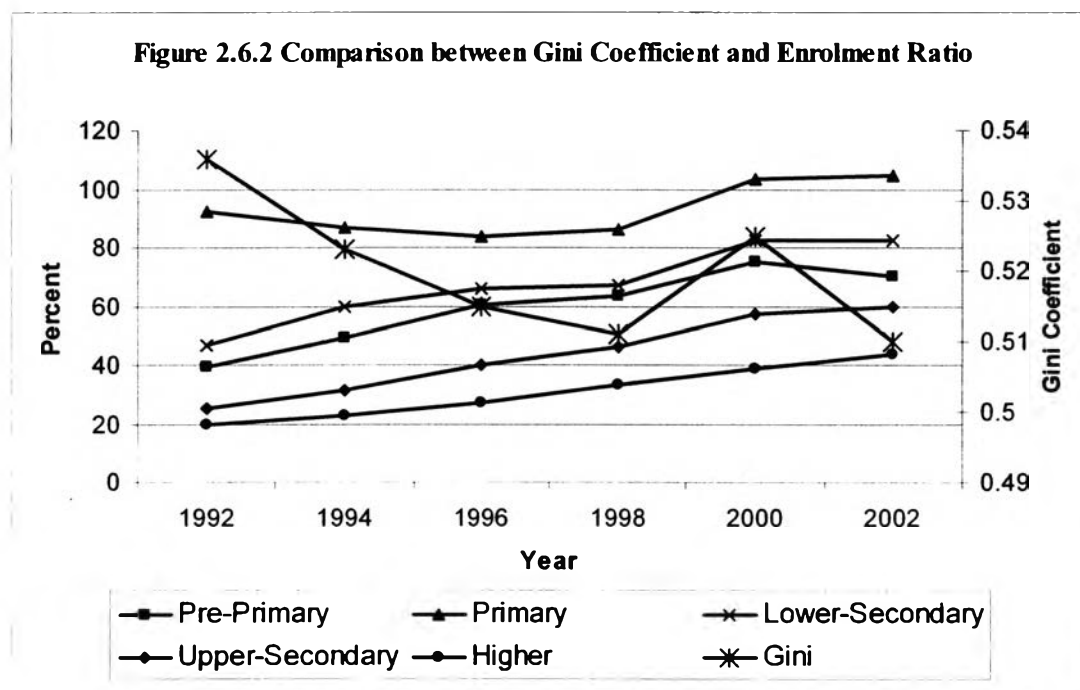
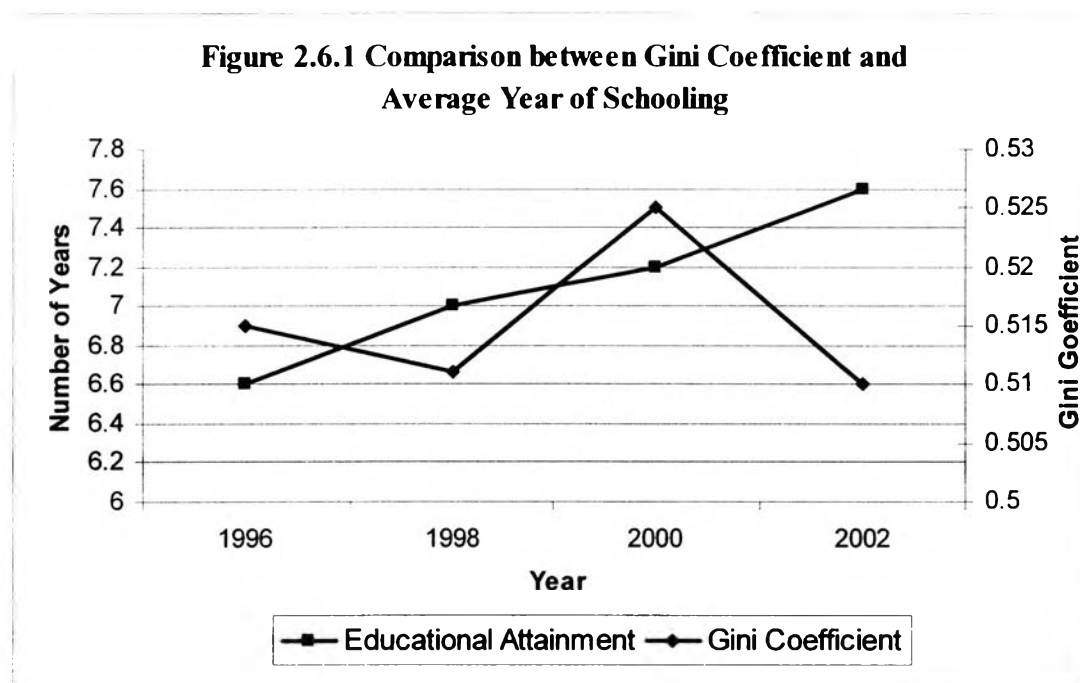
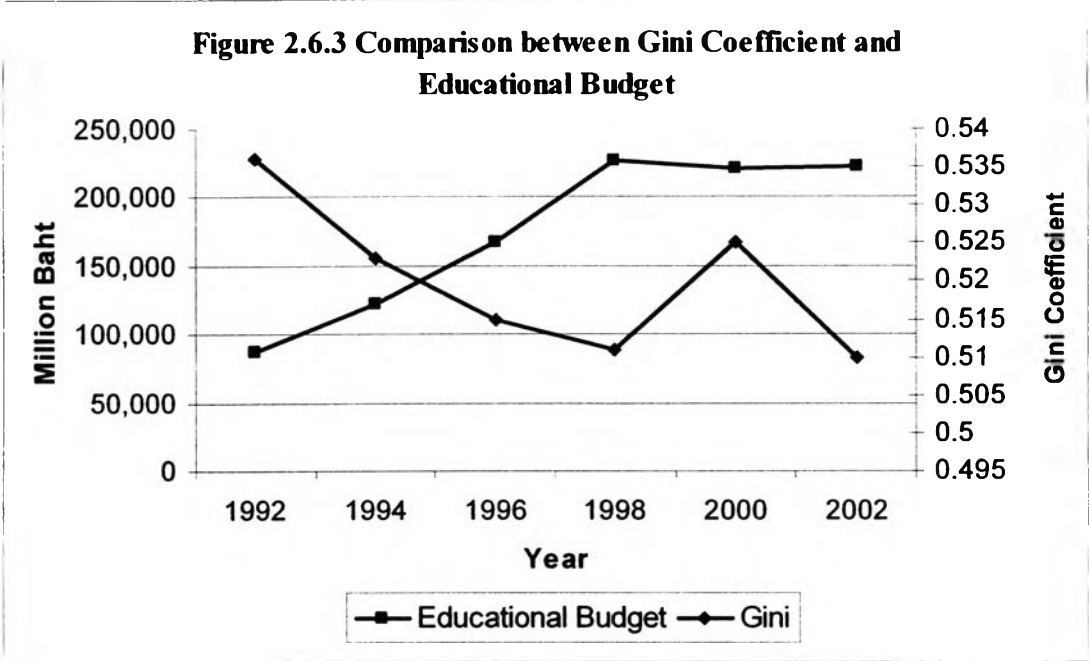


Figure 2.6.1 and 2.6.2 show the trends of income inequality and educational attainment of Thai people. Both average year of schooling and enrollment ratio followed the same trend. They were increasing trends over time. Compared to Gini coefficient, an indicators measuring income inequality, they moved into opposite direction. Before 1998 Gini coefficient continuously decreased, while average year of schooling and enrollment ratio kept increasing. Although in the year 1998 Gini coefficient rose like average year of schooling and enrollment ratio, it began to move oppositely again in 2000. From these two figures, one could see that Gini coefficient and educational attainment have a negative relationship.



The next figure illustrates the trends between Gini coefficient and educational budget. Educational Budget continuously increased during 1992-1998 before slightly decreased in 2000 and gradually increased again in 2002, while Gini coefficient continuously decreased during 1992-1998 before suddenly rose in 2000 and dropped again in 2002. Thus, it can be clearly concluded that Gini coefficient and educational budget have a negative relationship. The more educational budget, the lower income inequality.