



Summary of the Direction of the Eleventh National Development Plan

Office of the National Economic and Social Development Broad

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Preface

The Office of the National Economic and Social Development Board (NESDB) has drafted Direction of the Eleventh Plan 2011 – 2015 as a framework for medium term national development. The preparation has been carried on with the participation of all development partners at community, region, and national levels. The Plan has adopted **the Philosophy of Sufficiency Economy** as a guiding principle together with **the holistic people-centered development approach**.

Vision of the Eleventh Plan is creating **‘a happy society with equity, fairness, and resilience’**, where people have lived peacefully, been well-prepared for changes, within the society that has consolidated social foundations, quality economic growth, sustainable natural resources and environmental management, and good governance.

This document has provided data, information and knowledge about the country's development in the next five years that will be elaborated before the official announcement of the Plan in October 2011.

National Economic and Social Development Board

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Abstract

Office of the National Economic and Social Development Board has drafted the Direction of the Eleventh Plan with the participation of all stakeholders at community, regional, and national levels. The Plan was proposed to the Cabinet for the progress of the preparation on the 26th October 2010.

The Eleventh Plan adopts the “Philosophy of Sufficiency Economy” which has become the guiding light of the country’s development since the Ninth Plan. Even though the Philosophy has been a main ingredient immunizing Thailand along the development path for nearly ten years, it still takes time for all parts of the society to embed the tenet into ways of life. There remain areas to improve the country’s resilience by encouraging the application of the Philosophy to all walks of life.

In the preparation process, the changing contexts of external environment and internal situations have been analyzed. **The 7 main global changes** are global rules and regulations, the multi-polar global economy, the ageing society, climate change, food and energy security, technological advancement, and international terrorism.

For the **internal** situations, there are changes in many aspects. **Economic aspect**, the fiscal risk has emerged due to rising public debt. It is necessary to find new sources of income generation e.g. from potential services and creative economy as there are more constraints on the income earned from the manufacturing and the agricultural sectors due to limited industrial locations and arable land, changing climate situation, and environmental regulations. **Social aspect**, moving towards an ageing society will lead to a shortage of labor force in the future. Increasing productivity has been constrained by low educational quality. Dropping of standards of morality and ethics and increasing in social inequality are causes of conflicts in the society.

Natural resources and environmental aspect, natural wealth of the country has been depleted and deteriorated. Global warming has affected the agricultural sector, and food and energy security. **Spatial aspect, the development of communities, areas, and regions** has been confronted with income disparity, rapid urbanization and slow progress of the decentralization. Lastly, **national security aspect**, it has been challenged by many factors including conflicts in certain areas while enhancing good governance has been hindered especially from chronic corruption.

Some **risks and weaknesses** have prevailed in the country's development. They are weakness in public administration, the unsustainable economic structure, declining proportion of working age population, loss of traditional values, deteriorating in the natural resources and environment, and threats towards the national security. It is imperative to enhance **resilience** in order to prepare the people, economy and society to effectively manage these changes. Six areas of resilience need to be maintained and improved including the constitutional monarchy governed the country; the agriculture as a main source of income and food security; the development based on knowledge and advanced technology; the society with good values and culture; and the community as a key effective mechanism in development.

With the guidance of the Sufficiency Economy Philosophy, the framework of the Eleventh Plan is set to be driven under the people-centered development and broad base participation approaches towards balanced, integrated, and holistic development. To attain the agreed Vision of “a happy society with equity, fairness and resilience”, the missions, objectives, targets, and strategies are designed as follows:

- **Missions** are 1) to promote better income distribution, and fair, harmony and democratic society in order to achieve better quality of life 2) to create socio-economic security through strengthening production of goods and services based on knowledge, creativity and environmental friendliness, improving social protection for better coverage, and ensuring food and energy security, and 3) to strengthen resilience to changes and crises and develop human resources.

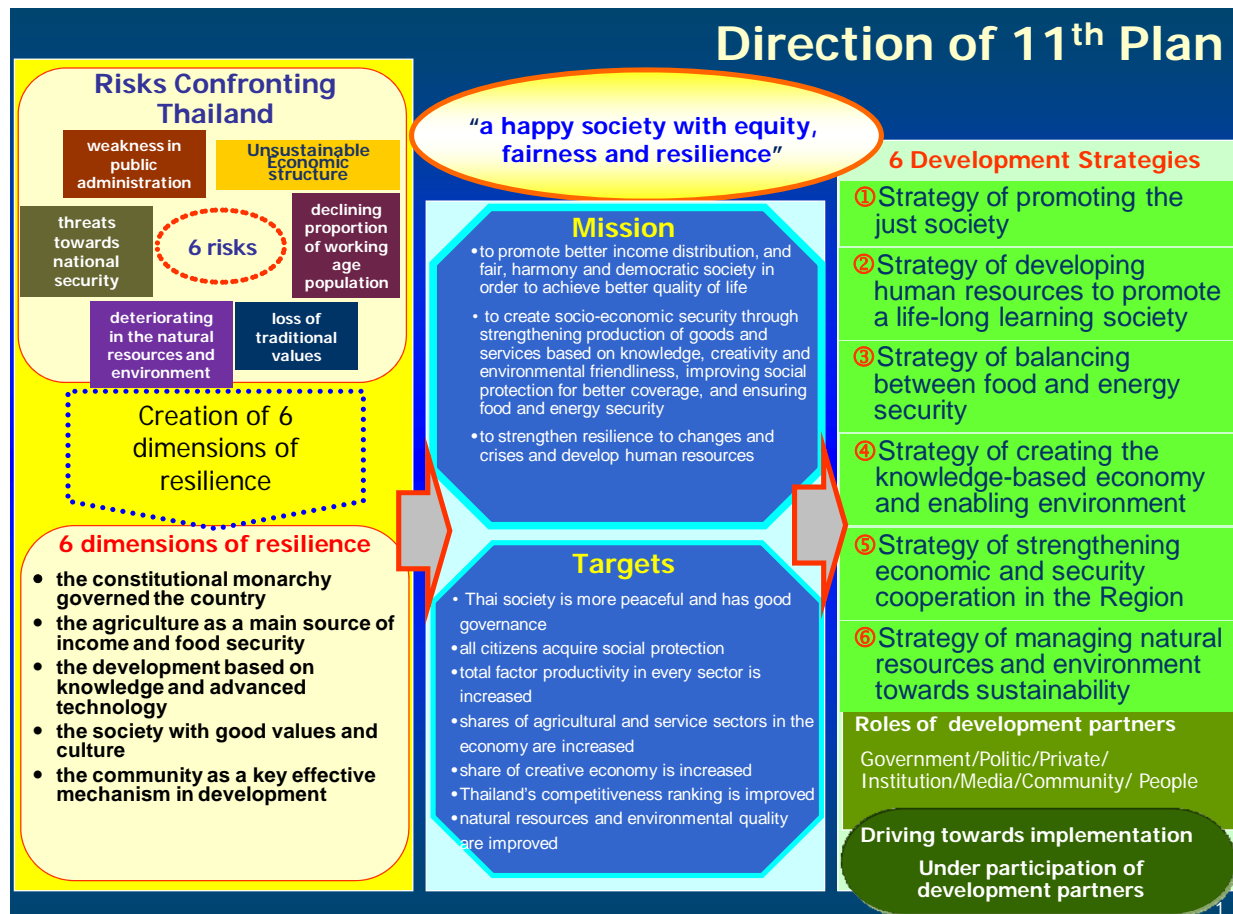
- **Main objectives** are 1) to promote a peaceful society with good governance 2) to promote sustainable development through restructuring the economy, society and politics, and nurturing natural resources and environment, and 3) to prepare the people and the community to be ready for changes.

- **Key targets** are 1) Thai society is more peaceful and has good governance 2) all citizens acquire social protection 3) total factor productivity in every sector is increased 4) shares of agricultural and service sectors in the economy are increased 5) share of creative economy is increased 6) Thailand's competitiveness ranking is improved, and 7) natural resources and environmental quality are improved.

- **Development strategies** are 1) Strategy of promoting the just society; 2) Strategy of developing human resources to promote a life-long learning society; 3) Strategy of balancing

between food and energy security; 4) Strategy of creating the knowledge-based economy and enabling environment; 5) Strategy of strengthening economic and security cooperation in the Region; and 6) Strategy of managing natural resources and environment towards sustainability.

The Eleventh Plan has emphasized on translating the Plan into action by designing the linkage between the missions, mechanism and implementation process through clear division of responsibilities and concerted efforts among stakeholders. In this connection, roles of each development partner need to be clearly identified and synchronized. At the same time, the implementation guidelines must be well defined, using a “step by step approach”, starting from acknowledging the direction, objectives, strategies, and key performance indicators of the Plan to other related plans at all levels in order that all stakeholders can effectively driving the Eleventh Plan.



Summary of the Direction of the Eleventh National Development Plan

1. Introduction

The formulation of Thailand's national development plans from the First Plan (1961-1966) to the Tenth Plan (2007-2011) evolved continuously in accordance with the changing context of external environment and internal situations, which presented both opportunities for and threats to the national development. The Eighth Plan (1997-2001) in particular, exhibited a critical turning point in the country's development planning system. The Plan shifted to the new paradigm based on the holistic and **'people-centered development'** approaches with broad-based participation. Since the Ninth Plan (2002-2006), the development principle has adopted the **Philosophy of Sufficiency Economy** as guiding light for the country's development.

Over the five decades, the National Development Plans have uplifted Thailand to an advanced developing country with better income, quality of life, longevity, and education. Since the adoption of the Philosophy of Sufficiency Economy, the Thai society has become more resilient to shocks, as reflected in the country's better survival during the 1997 Asian financial crisis, the 2004 national disaster caused by Tsunami and the 2008 global subprime crisis.

During the preparation of the Eleventh Plan (2012-2016), Thailand has faced dramatic economic and social changes internally and externally which significantly have affected every aspect of people's life. Considering the internal situations, it is necessary to analyze the situations and conditions under the Thai Constitution 1997 which indicates that the State has to incorporate ideas and suggestions from public participation in policy making decision and national economic and social planning processes.

At the National Economic and Social Development Board (NESDB) Annual Conference, held on 6 August, 2010, participants suggested valuable ideas for development guidelines in the Eleventh Plan. With this respect, NESDB has integrated these ideas and recommendations into the drafted Direction and Strategies of the Eleventh Plan. Subsequently, the progress of the Eleventh Plan formulation was reported to the Cabinet on 26 October 2010.

2. Driving the Philosophy of Sufficiency Economy

The development from the First to the Seventh Plans resulted in a notable improvement of national economy while creating negative impacts to society, natural resources and environment, and leading to unsustainable development. These brought about the adjustment of the Eighth Plan formulation process which adhered to "Sufficiency Economy", a philosophy bestowed by

His Majesty King Bhumibol Adulyadej to the Thai people. The Philosophy has been pursued in the Ninth and the Tenth Plans.

During the Tenth Plan, the application of Sufficiency Economy was in progress. For the **government sector**, certain policies and implementation were applied the Philosophy, for examples, to regulate financial measures, to stabilize financial institutions, to reasonable invest in mega projects and to manage risks effectively. For the **private sector**, applications of the Philosophy were concentrated in the production sector such as using domestic materials along with local wisdoms in producing eco-friendly products, practicing business management that focus on sufficiency and cost-effectiveness based on research, in addition to profit-sharing with society and employees. For the **educational institution**, the emphasis was placed on accelerating knowledge creation, designing curriculums and training courses that relate to the Sufficiency Economy as well as providing public space for people to share information and knowledge.

In the **agricultural sector**, His Majesty's "New Theory" for the agriculture has been applied extensively. The practice has enabled numbers of farmers to live sufficiently, reduce expenses, and create income and security. At the **community level**, the practice of Sufficiency Economy philosophy resulted in popular participation, self-reliance, cultural protection, and improvement in quality of life. At the **family level**, the Philosophy has helped to improve relationship in the family, have sufficient income and housing security. A large number of people have also applied the Philosophy as a prime guidance for daily life. As a whole, self-immunity within Thai society has been strengthened to some extent and needed to be taken into account for the future development foundation.

3. Situations, Risks and Resilience

3.1 Significant Changes

3.1.1 Major global changes

- 1) **Global rules and regulations:** Changes in global situations and 2008 world economic crisis have led to the adjustment in global rules and regulations in world economic management, in economic conducts under the capitalism, including trade and investment regulations, financial rules, and intellectual property rights. In addition, there is a growing concern about obligations to and agreements on climate change and trade measures regarding global warming issues. Social rules and regulations, particularly human rights have been more focused on human dignity. Those mentioned changes could either provide opportunities or pose threats to Thailand's future development.

- 2) **Multi-polar world economy:** There will be an increase in regional economic integrations. The economic integrations which will be crucial for Thailand during the period of the Eleventh Plan include regional economic blocs in Asia and free trade agreement between ASEAN, and China, Japan and India. Furthermore, the ASEAN Economic Community (AEC), which is scheduled to be accomplished in 2015, will certainly affect the Thai economic and social development, especially human resource development in order to support these incoming integrated economies.
- 3) **Ageing society:** During the period of the Eleventh Plan, older persons at the world level are expected to increase by 81.86 millions. Changing demographic structure towards ageing has affected international migration in many countries. As a consequence, culture is diversified. Meanwhile, structure of production will be drastically changed from labor-intensive to knowledge- and technology-intensive. In addition, public health expenditure will increase at the expense of other investments.
- 4) **Global climate change:** The global temperature increased on an average of 0.2 degree Celsius per decade over the past 30 years and caused the unpredictable climate changes as well as frequent and severe natural disasters such as earthquake, landslide, volcano eruption, flood, storms, drought, and forest fires. Ecosystems in many areas have become vulnerable resulting in the losses of flora and fauna. Surface of the earth has undergone physical changes including coastal erosion and high tide resulting in the forced migration of coastal communities, the damage of infrastructure, tourist areas, and highly-investment industrial zone along the coastal lines. In addition, many communicable diseases and insect pests will cause the damages to human life, agricultural products and world food security. Moreover, poverty, migration and fights for resources have occurred.
- 5) **Global security on food and energy:** Demand for food and energy will rise due to increasing world population whereas the supply of raw materials is constrained by limited arable lands, existing technology, and climate change. This situation tends to be complicated as the conflict of the demand for food and energy will be increased in the future. Consequently, supply of food products will decrease and may lead to world food crisis.

- 6) **Technological progress:** Technological progress on information and communication technologies, nanotechnologies, biotechnologies, and technologies related to the functions of human mind and psychology can be served as opportunities and threats to the country's development. As a result, some countries with technology-deficit are unable to compete in the world market. Moreover, the unequal access to technology of various groups of people will cause the economic and social disparity. Thus, the issue of technological progress appears to be crucial in large part to both the national competitiveness development and the reduction of social inequality.
- 7) **International terrorism threat:** Transnational terrorism and crimes have tended to be widely spread and more violent across the world. In addition, the terrorist forms and networks are more complicated and affect the national and international security. It is imperative that Thailand should have preparedness to deal with terrorisms and cooperate with international communities to protect the national interests.

3.1.2 Major internal changes

- 1) **Economic aspects:** On the financial side, Thai economy has become more resilient due to (1) the development of a risk management system, (2) increasing share of the domestic economy and (3) higher utilization of alternative energy. However, on the fiscal side, the economic stimulus package (2010-2012) has increased the public debt significantly and resulted in deteriorating fiscal stability. Given the fiscal stress, new sources of income generation are needed, for examples, from potential services and creative economy as the manufacturing and the agricultural sectors have encountered constraints arising from rising social awareness over the environmental problems and environmental regulations. While the industrial sector considerably relies on high import of raw material, capital, knowledge and technology, the agricultural sector has been constrained by deteriorated natural resources and limitation of arable lands.
- 2) **Social aspect:** Thailand will enter into an ageing society in fifteen years which will lead to the problem of labor shortage. At the same time, problems of education quality in the country will be constraints on labor productivity improvement. Society has faced with growing individualism, lifestyle that increasingly interlink with external cultural diversity, and diminishing ethical and moral values. Meanwhile, the

size of middle class population in Thailand is still too small to generate various economic activities. Widening social disparity has led to conflicts in Thai society. Many families have faced difficulties in providing good cares of their members. Nevertheless, civic responsibility which is necessary for good governance has been increasingly emphasized and stepped up.

- 3) **Natural resource and environmental aspect:** the situation of natural resources and environment is worsening. Moreover, the climate change has exacerbated the degradation of natural resources and environment, affecting the agricultural production, and food and fuel security.
- 4) **Spatial aspect:** disparity of income distribution across regions remains a major concern. Bangkok and the Central regions have still dominated the overall economy while the poor are concentrated in the Northeastern and the Northern regions. Every region has experienced rapid urbanization with imbalanced distribution of economic activities among cities with various sizes. The decentralization process is delayed. The local economy, in general, needs to be strengthened to avoid rural-urban migration.
- 5) **National security aspect:** the national security has encountered several challenges including long-time conflicts in certain areas such as the southernmost provinces and problems of marginalized groups along the borders. At the same time, the attempts towards good governance have been hindered by some problems, especially corruption. Furthermore, Thailand needs to prepare for the coming ASEAN Community by fostering better relations with the member countries.

3.2 Risk assessment

- 3.2.1 **Weak public administration:** Abuse of administrative power, gap between government agencies and the people, and inadequate public participation in the decision-making process have distorted the country's management, undermining trust and confidence in Thai society.
- 3.2.2 **Vulnerable economic structure:** Thai economy mainly relies on the industrial sector and is sensitive to the uncertainty in the world economy. With its dependence on capital and cheap labor, the country's competitiveness has remained struggling. SMEs as a main source of employment have less contribution to the GDP. In the agricultural sector, compensation of employee is relatively very low. Most of the farmers are still poor and in debt. While the demand for energy is increasing, the

country has depended on external sources of energy. Rising and fluctuating energy prices are, therefore, a key risk to the Thai economy.

- 3.2.3 **Changing the population structure:** As entering the ageing society, proportion of Thai working age population has been on declining trend while the demand for labor will increase in the future. Shortage of skilled labor is of key concern. On the other hand, public health expenditure will increase and being a burden on the public finance.
- 3.2.4 **Deteriorating social values:** Materialism and consumerism stemmed from the economic growth and globalization has weakened the Thai values and patterns of behavior. Public consciousness and hospitality have declined causing problems on discipline, social-cohesion, respect others' rights and civic mind.
- 3.2.5 **Natural resources and environmental deterioration:** The degradation is owing to geographical changes, over utilization of natural resources, and climate changes affecting biodiversity, coastal resources, wetlands and forest. In addition, coastal areas have been eroded, adversely affecting the migration, tourist attractions and food security. Natural disasters tend to be more severe threatening the production and well-being of the people.
- 3.2.6 **Critical national security:** Various problems of national security have been arisen at the alarming rate due to political unrest, terrorism, economic crisis and various international competitions. Moreover, severe natural and man-made disasters are a challenge to the country's risk management, disaster preparedness and a warning system.

3.3 Enhancing Resilience

- 3.3.1 **Thailand has been governed by the constitutional monarchy.** Thai monarchy is a symbol of the nation and is respected.
- 3.3.2 **Agriculture is the main source of income and food security.** It is a source of job creation, food security and the way of life.
- 3.3.3 **The development is based on knowledge and advanced technology.** People's wisdom, technology and disciplinary are the key factors of the country development.
- 3.3.4 **Thai society maintains good values and culture.** Thai people have applied the Philosophy of Sufficiency Economy to the daily life. Younger generations are brought up and nurtured to recognize Thai identity.

3.3.5 The community is a key effective mechanism in development. It has been empowered in order to enhance self-reliance at the community level.

3.3.6 Thailand is a sovereign state and cooperates with other countries in the international community. Thailand is capable to maintain its sovereignty. It is allied with other countries.

3.4 Future Development Issues

3.4.1 Create a harmonized society. Social order and peaceful environment have been concerted promoted. Application of the Philosophy of Sufficiency Economy will be encouraged to be a norm of the society. Public sector, politic and civil society will be strengthened under the principle of righteousness, democratic culture and good governance in order to restore trust.

3.4.2 Develop human quality as a key factor for strengthening competitiveness and the country development. Potentials, intellect and moral of Thai people will be developed to be ready for the development towards knowledge-based society. While being center of development, human resources will be an efficient production factor and a crucial input for increasing national competitiveness in the global market. It will also strengthen the development foundation in every dimension.

3.4.3 Expand the middle income group throughout the country as a driving force in the country's development. To increase a middle-class group in all areas, quality of education has to be improved and secured jobs have to be created in every part of the country. Moreover, all Thai citizens must fully recognize their duties and jointly provide supports and be a driving force towards a quality and livable society.

3.4.4 Maintain the agricultural sector to be a foundation of the society and food security. Farmer's capability has to be developed in order to produce enough food for domestic demand and export to other countries so Thailand could be a leader in food production. Meanwhile, good reputation of Thai food throughout the world has to be maintained.

3.4.5 Improve public sector performance. Public sector management has to be transparent and accountable. Participation of the development partners has to be promoted. Therefore, the objectives of the Eleventh Plan could be achieved efficiently and effectively.

4. Development Framework of the Eleventh Plan

Principle of the Eleventh Plan. The Plan has adhered the Philosophy of Sufficiency Economy and the application should be emphasized at every level. Holistic and people-centered development approaches have been applied. The national development has been pursued the vision of the year 2027 as follows;

“Thai people are proud of having their senses of hospitality, sympathy, empathy, humility and forgiveness. They follow democratic culture and good governance principle. Qualified basic public services are provided throughout the country. Thai society is safe and secure with helping and caring environment. Production Process is environmental-friendly and food and energy are secured. The economy is based on self-dependent and competitive in the global market. Thailand is a respected member of regional and world community.”

4.1 Vision of the Eleventh Plan (2012-2016) and Missions. Vision, missions, objectives and strategies for the next five years have to be indicated for the next five-year development. The vision and missions are as follows:

4.1.1 Vision “A happy society with equity, fairness and resilience”.

4.1.2 Missions

- 1) To promote better income distribution, and fair, harmony and democratic society in order for people to achieve better quality of life.
- 2) To create socio-economic security through strengthening production of goods and services based on knowledge, creativity and environmental friendliness, improving social protection for better coverage, and ensuring food and energy security.
- 3) To strengthen resilience to changes and crises and develop human resources.

4.2 Main Objectives

- 4.2.1 To promote a peaceful society with good governance.
- 4.2.2 To promote sustainable development through restructuring the economy, society and politics, and nurturing natural resources and environment.
- 4.2.3 To prepare the people and the community to be resilient to changes.

4.3 Key Targets

- 4.3.1 Thai society is more peaceful and has good governance.

4.3.2 All citizens are under social protection.

4.3.3 Total factor productivity in every sector is increased.

4.3.4 Shares of agricultural and service sectors in the economy are increased.

4.3.5 Share of creative economy is increased.

4.3.6 Thailand's competitiveness ranking is improved.

4.3.7 Natural resources and environmental quality are improved.

4.4 Development Strategies

The country development towards the security, peaceful society, and happy livelihood has to face many significant and unpredictable internal and external changes, such as political turmoil and economic crises. These changes have occurred occasionally and brought about immense impacts. Thus, the direction of the Eleventh Plan aims at enhancing resilience to risk factors, strengthening the foundation of the country in every dimension, and creating growth opportunities for the country. Therefore, six development strategies with high priority are indicated as follows:

4.4.1 Strategy of promoting the just society

Objectives of the strategy are as follows: 1) to create opportunity for all to access to funding, resources, and income earnings. 2) to increase income and social security. 3) to assist the poor, the underprivileged, foreign labor and labor force in the informal sector, and the ethnic groups to gain access to social services on equity basis. 4) to support all concerned development partners to participate in the inequality alleviation and conflict resolution process in an efficient manner and to jointly develop the country towards a society with quality. Key measures include:

- 1) **Enhance socio-economic security for all citizens to be capable of managing risks and creating opportunities in life** by (1) strengthening the grass-root economy and building strong economic foundation (2) expanding the coverage of the social protection system, (3) promoting a fair allocation of resources, and (4) promoting the use of information technology in career development and improvement in living standards,
- 2) **Ensure social inclusion to generate opportunity for all to gain access to social services according to one's own entitlement, to create self-immunity, and to employ the participatory approach to country development** by (1) generating

opportunity to gain access to social services for the underprivileged group in an equitable and thorough manner, (2) enabling the poor to effectively manage crises, and (3) promoting the formation of a welfare society,

- 3) **Empower all citizens to be able to make choices and have ability to participate with dignity in social, economic and politic activities** by (1) encouraging freedom of thinking, (2) empowering all at the community level to efficiently manage risks and obstacles and be resilient to domestic and external changes in a timely manner, (3) promoting creative medias in creating new values, (4) supporting the role of the private sector in social development, (5) reinforcing the capacity of the public sector, (6) eradicating corruption, and (7) initiating a political reform towards the democracy,
- 4) **Enhance social cohesion** by (1) creating an accepting value based on trust and mutual support, (2) promoting good governance in politics and (3) building trust and confidence in society.

4.4.2 Strategy of developing human resources to promote lifelong learning society

Objectives of the strategy are as follows: 1) to increase potential of all Thais based on human development towards the disciplined mind, the synthesizing mind, the creative mind, the respectful mind and the ethical mind, 2) to develop a family, community and social environment that is conducive to human development and in accordance with economic and social changes. Key measures include:

- 1) **Improve the quality of newborns with appropriate population distribution** by maintaining the optimal fertility rate and facilitating the distribution of population as well as housing and settlement that are in accordance with the carrying capacity of areas and natural resources in the region,
- 2) **Develop human resources aiming at increasing resilience of individual to future changes** by (1) increasing the quality of the Thais at all age levels, (2) promoting the learning process towards a culture of mutual support based on the development of the disciplined mind, the synthesizing mind, the creative mind, the respectful mind and the ethical mind, (3) enhancing the lifelong well-beings of all Thais in both physical and psychological aspects, (4) strengthening social institutions which include family as well as educational and religious institutions to play a major role in instilling the value of caring and sharing, social responsibility, and integrity in the new generation,

- 3) **Promote lifelong learning** by (1) creating learning opportunity for people of all age groups to gain access to diverse sources of knowledge that include both cultural and innovative knowledge, (2) creating a learning culture by instilling the social value of learning as the duty of all Thais, (3) developing the learning habit from the early stage in life, (4) promoting the use of medias as a source of creative learning, (5) reinforcing factors that are conducive to a lifelong learning process, (6) providing alternative educational management system to generate high-quality educational opportunities in the formal and informal sector as well as an educational choice that fits individual styles,
- 4) **Encourage good cultural values as a driving mechanism for the national economic and social development** by (1) reinforcing the role of social institutions in the country development, (2) integrating the performance of all social units at the family, community, regional, national, and global levels in a holistic manner, and (3) promoting corporate social responsibility of private enterprises in community development.

4.4.3 Strategy of balancing food and energy security

This strategy aims to 1) strengthen the agricultural sector to provide quality food for domestic consumption and secure farmers' income including the conservation of herbal plants, 2) balance foodstuffs and alternative energy produced from agricultural commodities needs to be achieved in order to support the domestic demands sufficiently. Key measures are as follows:

- 1) **Develop natural resources in order to strengthen the agricultural base** by conserving the highly productive arable lands and promoting small farmers to own or have rights on farmlands, including an improvement of the land reform laws to support the land redistribution, transferring the ownership to the landless farmers. Water resource management activities among all stakeholders will be integrated in order to facilitate the agricultural sector sufficiently and improve efficiency of the irrigation system, small reservoirs and farm ponds.
- 2) **Enhance the agricultural productivity and value creation** by supporting research and development in flora and fauna species which can grow efficiently, enhancing the regional collaboration in potential agro-products, and improving the management of natural resources affected by climate change. The application of knowledge and technology related to an eco-friendly concept and

non-genetically modified operation has to be promoted. The agricultural products which are high value-added and market potential will be developed to meet safety standards including the development of supportive logistic system and the promotion of farming which is non chemical. The collaboration between the private sector and the community on agricultural commodity management is based on cluster approach encouraging the community to create the value added production.

- 3) **Promote job and income security for farmers** by developing an income insurance system covering all farmers together with productivity improvement and the effective registration of farmers for each agricultural commodity. The development in crop insurance will be implemented in order to provide the financial support to the farmers in the event of natural calamities, pests and diseases. Fairness in the contract farming system covering all stakeholders will be supported significantly. In addition, the social welfare program for farmers and non-registered workers will be undertaken systematically in order to sustain the agricultural development and induce the younger generation to engage in the farming. Furthermore, farmer institutes and small farmers will be strengthened to be more self-reliant and competitive in face of the ASEAN Free Trade Area (AFTA).
- 4) **Enhance food and fuel security at household and community level** by promoting the sustainable agriculture to encourage food security and crop diversity, ensure people's health and enhance competitiveness. Production and consumption networks need to be created while values and cultures in the community need to be encouraged for natural resources preservation. The use of agricultural by-products as renewable energy will be encouraged at the household and community levels.
- 5) **Develop energy security to support the national development and agricultural sector** by promoting research and development in increasing productivity of bio-energy production for reducing imports of energy and pollution in the community. Utilization of alternative and clean energies will be encouraged at the community level. Technology development and innovation will be promoted for efficient use of energy at all level.

- 6) **Improve the agricultural management to ensure the balance of food and energy** by supporting the participation of farmers and communities in the agricultural planning and decision-making processes. The government role will be adjusted to facilitate the development process as the private sector will provide laboratory and other services. A monitoring mechanism with the community participation will be set up. Law and regulations related to the protection for plants, herbs and local wisdoms will be amended. The international cooperation for agriculture, food and energy will be reinforced to benefit the national interest.

4.4.4 Strategy of creating the knowledge-based economy and enabling economic environment

This strategy aims to promote Thailand as the regional hub of creative and innovative products. Knowledge technology and creativity will become crucial factors driving the country towards the inclusive, balanced and sustainable growth. In this connection, value-added and value creation will be embedded in every stage of the supply chain of goods and services. The favorable environment needs to be facilitated with enabling factors, in particular a freer and fairer market mechanism, to encourage efficient trade and investment, develop new entrepreneurs, create quality infrastructure and logistics networks, and develop economic risk management.

- 1) **Develop the agro-industry via increasing productivity and value of agricultural products for the long term competitiveness.** The solutions lie in searching for opportunities and markets, supporting R&D in production and process, and improving the public services. Nevertheless, the employed methods and measures need to observe not only efficient use of resources but also environmental friendliness.
- 2) **Deepen the manufacturing sector by boosting the competitiveness,** creating the resilience, and accommodating changes in the global context. Thus, the government needs to (1) improve human capital through the better educational and retraining system, and the provision of new knowledge and know-how; (2) support good governance with transparent and accountable rules and regulations; (3) promote linkages of the large companies and SMEs, and relocation of industrial bases to the regions; (4) continually increase the productivity and support innovation in order to attain 'creative and low-carbon' economy (5) develop eco-industrial towns in the strategic economic areas (6)

restore the deteriorated environment in the major industrial areas and (7) develop new hi-potential clusters by utilizing advantaged locations based on the collaborative platform with local participation.

- 3) **Develop the service sector by utilizing inherent potential** to create or add value to prospective business and elevating quality of the country's attractions for being a main engine of inclusive growth. Necessary measures need to put in place including (1) increase competitiveness of the potential businesses utilizing the intrinsic and attractive value on Thai-ness, cutting-edge knowledge and innovation; (2) broaden and deepen production bases and market opportunities to support hi-potential businesses to operate at the international level; (3) strengthen the enabling environment to induce more investment in the service sector and to upgrade people's quality of life; (4) rehabilitate deteriorating tourist attractions and apply the area-based approach to elevate their quality in line with market opportunities and community potentials; (5) administer the tourism sector in a balanced and sustainable fashion; and (6) strengthen capacity of the private sector and community enterprises to gain better performance.
- 4) **Develop creative products as initiated and differentiated new products and services** based on creative ideas in order to generate jobs and income and be the pride of the country. The following measures are: (1) encourage R&D for the hi-potential creative products; (2) apply creativity to add value in goods and services; (3) develop enabling factors in relation to the creative economy; and (4) develop human resources to meet the demand for creative professionals in the production and the service sectors.
- 5) **Develop the trade and investment sectors** to ensure market diversification for reducing dependence on major export markets and resolve the shortage of labor and raw materials in the country. Together with this, required measures are (1) enhance the efficiency of marketing and distribution networks; (2) develop knowledge and skills of entrepreneurs; and (3) promote and effectively utilize Free Trade Agreements as well as mitigate adverse effects.
- 6) **Develop science and technology, research, and innovation as driving forces to foster the Thai economy to grow sustainably.** The government needs to encourage investment in R&D and facilitate knowledge creation, diffusion, and utilization for both commercial and civil purposes by (1) creating enabling

environment that facilitates the development and application of science and technology, research, and innovation in the most effective manner; and (2) develop adequate infrastructure and facilities on science and technology, research, and innovation via collaboration between the government and the business circles.

- 7) **Develop infrastructures and logistics systems** by seeking support from the private sector participation based on Public-Private Partnership (PPP). The government will encourage the infrastructure development, improve logistics management, and develop modern information and communication technology systems.
- 8) **Reform business laws as well as rules and regulations to promote fair business practice** by (1) creating norms for fair enforcement; (2) developing personnel and officials for better enforcement; (3) enacting new laws for trade liberalization; (4) revising existing laws and regulations to facilitate the 'creative economy' and protect the intellectual property rights (IPR); and (5) creating efficient enforcement process for IPR violation relevant to the socio-economic conditions and international trade arrangements and for laws related to industrial relocation from abroad and the 'green-house gas' emission.

4.4.5 Strategy of strengthening economic and security cooperation in the Region in order to prepare and adapt to the global and regional challenges, entering the ASEAN Community in particular, promote the economic competitive advantage and emphasize role of the nation in the international arenas as well as alleviate negative impacts and international problems with the following guidelines

- 1) **Expand the co-operation through various international frameworks and strengthen trade partnership with other countries.**
- 2) **Strengthen the area development mechanisms** in formulating development strategies at the provincial and provincial cluster levels and reinforcing local administration organizations in order to create linkages with neighboring countries.
- 3) **Promote the investment opportunities to increase the country's competitiveness in the region.** Government has to cooperate with neighboring countries to facilitate the expansion of the production base along the economic corridors by (1) developing every region to link with the Southeast Asian countries; (2)

enhancing capacities of the border towns and economic zones in providing infrastructure and logistics system and quality personnel; (3) integrating the spatial development plan well connected to neighboring countries.

- 4) **Prevent terrorism, crimes, drugs, disasters and communicable diseases** affecting the security of life, economic stability and living conditions in the Region by (1) enhancing the capacity and readiness for prevention and problem solutions arising from trans-terrorism, drugs and human trafficking; (2) preparing for natural disasters and state of emergency, based on the regional cooperation; and (3) collaborating in the prevention of infection and epidemics of emerging and reoccurred diseases.
- 5) **Integrate all development partners to formulate policies and strategies for protecting national interests in both inland and marine** by (1) developing various mechanisms to formulate these policies and strategies and strengthening international cooperation; (2) building capacity of the armed forces and security units ready for supporting the national development.

4.4.6 Strategy of managing natural resources and environment towards sustainability

This strategy is focused on conserving and restoring natural resources, harnessing the production and consumption patterns towards the environmentally friendly society, and gearing up for the climate change adaptation. The development guidelines are as follows:

- 1) **Conserve, restore and secure natural resource and environment bases** by (1) safeguarding and restoring the natural resource bases and biodiversity, (2) developing databases and geographical information system (GIS) and knowledge management (3) reforming management system of land ownership and utilization to ensure efficiency, fairness, and security for poor farmers; (4) promoting the efficient water management through close collaboration between local administration organizations and communities; and (5) conserving, utilizing and sharing the benefit of biodiversity.
- 2) **Shift the development paradigm and consumption behaviors towards the environmentally friendly society** by (1) creating public awareness and supporting research and development about the sustainable consumption via formal and informal education, (2) leveraging the public for sophisticated consumption of eco-friendly products and services; and (3) reinforcing the

mechanisms of consumer protection and harnessing roles of media and networks towards sustainable consumption.

- 3) **Improving ecological efficiency of the production and service sectors towards the environmentally friendly society** by (1) upgrading the industrial processes for the efficient supply chain management; (2) promoting sustainable agricultural practices; (3) fostering the service sectors as a driver for sustainable growth, and (4) providing favorable market opportunity for eco-friendly products and services.
- 4) **Reinforce urban environment and infrastructure management** by (1) designing cities and urban plans taking into account social, cultural, and ecological aspects, and (2) investing in sustainable infrastructure by emphasizing on rationalization of resource use and minimizing impacts on the environment and communities.
- 5) **Enhance adaptive capacity to achieve climate-resilient society** by (1) advancing knowledge and developing databases of climate change impacts; (2) initiating new management tools to cope with climate change; (3) preparing for the response to natural disasters at all levels of the society; and (4) leveraging the country's role in the global forums.
- 6) **Enhance good governance in the natural resource management** by (1) empowering communities and advocating their rights to access to and utilize natural resources; (2) facilitating and encouraging public participation, and establishing joint management mechanisms comprising all development partners; (3) amending relevant legislations and equitably enforcing laws and regulations to reduce conflicts and disparity among communities to access to and use of natural resources; and (4) ensuring the government investments to be in line with policies of natural resource conservation and restoration.

5. Translating the Plan into Action

- 5.1 **Principle.** Implementation of the Plan has to be based on the two major principles, namely; 1) setting roles of development partners clearly; and 2) ensuring readiness of development partners for driving strategies under the Eleventh Plan.
- 5.2 **Guidelines for Action.** Emphasis will be placed on creating common understanding of the Plan's objectives and developing proper methods and mechanisms for implementation. The mass media will play an important role for sharing information and communicating with development partners. Process of broad-based participation such

as citizen dialogues, meetings, and other civil channels should be conducted continuously to create public awareness and encourage more involvement. Agencies at provincial and local levels are key players in formulating their operational plans in line with the national development guidelines. Coordination among stakeholders also has to be conducted closely in every step of the implementation. Besides, the monitoring and evaluation system as well as indicators for outcome and impact evaluation have to be appropriately designed in order to ensure effectiveness and achievement of the Plan.

5.3 Process and Tools. Translating the Plan into action will be operated step by step, starting from interpreting the strategic direction, objectives, targets, and key performance indicators of the Plan into operational plans for effective implementation at various levels, namely the National Government Administration Plan, the Four-year Governmental Operation Plan and the Annual Operation Plan of Ministries and Departments, the Provincial/Cluster Development Plan, the Local Development Plan, and the Community Plan through annual budget allocation to support development projects.

5.4 Contribution of All Stakeholders. Emphasis will be placed on promoting stakeholders' roles and supporting the cooperation so as to drive efficiently the Eleventh Plan. There are two guidelines for promoting their readiness;

5.4.1 Empowering development partners. Emphasis will be given on developing potentials of communities, strengthening roles of local administration organizations, amending rules and regulations, stimulating people participation as well as creating networks for community development. In addition, local organizations have to be restructured in order to encourage involvement in the local administration as well as roles of government agencies have to be reformed as a development facilitator. Priority will be placed on improving mindset of government officials to be more service-minded. Private sector has to play greater roles in collaboration with communities and civil organizations while media have to create and disseminate constructive ideas and information based on public interests.

5.4.2 Creating enabling environment to facilitate development partners. Amending rules and regulations to be consistent with the current situations, to reduce cost and time consuming process as well as to encourage partnership in development. Moreover, public forums, such as citizen dialogues, brainstorming and knowledge sharing sessions need to be conducted regularly. Information

technology will be employed for communicating and creating relations between development partners. Information flows among development partners will help them obtain correct information and share common understanding.
