Thailand’s inadequate response to the 2008 Economic Crisis: Implications for Vietnam and other countries entering the East Asian economic model

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Abstract. By entering the East Asian economic model (EAEM) in the 1950s, the Thai economy was committed to the export-oriented, import-substituting low labour-cost manufacturing paradigm that Vietnam and Cambodia have more recently embraced. The EAEM provides for some success in expanding employment in the manufacturing sector and promoting income generation for its workers and, overall, in promoting national economic development. However, this is a model that has effectiveness that is limited in time, since the very process of national economic development tends to increase incomes and, thereby, undermine the competitiveness on which the model overall is based. In a crisis such as that which began in 2008, therefore, it was necessary for the Thai government to take stock of its labour market planning functions, to review the transparency and adequacy of its inward investment regulations, to promote creative industries, to begin an inclusive national debate as to the nature of future development and similar activities. Unfortunately, the Thai government has by and large failed to take the opportunity to pursue these activities and has, instead, focused largely for political reasons on policies which attempt to prolong membership of the EAEM or which are, in economic terms, apparently irrational or at least unhelpful. This paper investigates the nature and scope of the Thai government’s response to the economic crisis and, from this, considers the implications for governments whose countries are in the early stages of the EAEM but still aware of the need to continual upgrading of the inputs (principally labour) that will make it successful.

1. Introduction

The Thai economy relies to a significant extent upon exports and tourism. This makes the economy very susceptible to external environmental shocks: exports depend on international demand and may be undercut by rivals; tourism is also subject to the willingness of domestic and international customers to spend their money on tourist activities and The Concept negative effects of natural disasters and epidemics (e.g. the 2004 tsunami, SARS, avian influenza) and political action (e.g. the 2008 seizure and occupation of Bangkok’s international airports seized by right wing thugs and, in 2010, massive levels of state violence against pro-democracy demonstrators). Exacerbating the reliance of the Thai economy on the external environment is the almost total absence of hydrocarbons in Thai territory and the need, therefore, to import oil and gas at
international market prices. As is evident, the price of oil and gas has been mostly at elevated levels in recent years and, given the nature of scarce resources and ever-increasing demand, those high prices will be likely to continue into the foreseeable future. In addition, the Thai economy must also contend with the rise of new competitors such as China and Vietnam, able to provide rival goods at competitive prices. As standards of living have generally risen in Thailand, the ability of the country to compete in terms of the low prices of commodities or commodity-like objects has eroded. New forms of competitiveness are, consequently, required. The global economic crisis initiated by the banking crisis of 2008 has revealed the stark nature of the need for radical change in the Thai economy. The very model of development on which the economy has depended since the 1950s (which is a variant of what is termed here the East Asian Economic Model (EAEM)) is no longer appropriate to form the basis for future or even current economic progression. While the Thai Rak Thai administration of 2001-6 appreciated these issues and set in motion policies to convert the economy to work according to different dynamics, the disastrous military coup of 2006 has been followed by military rule and the installation of military-approved regime which has proved to be brutal, corrupt and incompetent. This has been revealed starkly by the response to the ongoing economic crisis, which has been characterised by lack of focus, short-termism, political rather than economic criteria used for expenditure and the lack of a coherent vision for future development of the country.

This paper described the nature of the EAEM as it has been manifested in the case of Thailand, as a means of helping to understand how the economy needs to change in response to current and probably future changes in the global economy. It then goes on to describe and analyse the stimulus package and other measures taken by the Thai government as a means of combating the economic crisis and then provides a critique of that response. This is conducted with a view to identifying the implications for other countries which have also embarked upon a version of the EAEM, notably of course Vietnam. A conclusion completes the paper.

2. The East Asian economic model

The East Asian Economic Model (EAEM) is based on import-substituting, export-promoting manufacturing with competitiveness based on low labour costs. Labour costs have been kept low, in general terms, by moving people from agriculture into industry, accepting inward flows of legal and illegal migrant workers and the use of the police and military to suppress workers’ rights, freedom of association and freedom of speech. As Studwell has observed:

“The great discovery of south-east Asian governments in the late 1960s was that their diverse populations (contrary to colonial myth) were rather uniformly hard-working and would happily toil through the day and night in factories making clothing, shoes, appliances and electronics. Government needed only to woo investment – most of it foreign – with full ownership rights for production facilities, tax breaks and central bank intervention to keep local currencies undervalued and hence exports cheap. The proposition was irresistible for cost-cutting multinationals and spawned globally competitive, but small-scale local businesses to provide components and contract manufacturing and support services: anything from making models for toy moulds to packaging semiconductors to cleaning multinationals’ factories” (Studwell, 2007, p.xxiii).

The Communist or former Communist members of Southeast Asia, Vietnam, Laos and Cambodia, have now embraced their own versions of the EAEM. The kinds of manufacturing industries involved have included garments and shoes, processed
agricultural products and seafood, electronic components, automotive and semi-conductors. In general terms, the technology for this kind of manufacturing is quite widely diffused around the world and the need for skilled workers limited. Commodity labour prices, in other words, have remained of the greatest importance. To support labour markets of this nature, it has been necessary for states to maintain educational systems that, for the working classes at least, promote rote learning, discipline (i.e. obedience) and the advancement of ‘traditional cultural norms’ such as deference to authority figures, willingness to accept injustice mutely and self-abnegation in the light of state development goals. The results of the education system are reinforced by additional aspects of the East Asian Development Model (EADM), which include limitations on democracy, censorship, self-censorship, promotion of national ideologies and, again, the need for obedience. The EADM routinely includes, therefore, a compliant pro-establishment media, patronage systems, neutered labour movements and a culture of antipathy towards politicians who might represent a genuine threat to the status quo. The EAEM relates to the economic basis of development of the country; the EADM includes the configuration of the political and cultural aspects that are also used to reinforce the economic base of development.

All economic activities eventually become obsolete, of course, usually after having first passed through a period of decreasing relevance. This process is accelerated or intensified by the onset of an economic crisis such as that which began in 2008. Under conditions of competition, some firms will fail and others will flourish and grow in size and their structures become part of internationalized (and sometimes globalized) firm-firm networks and are embedded in international or global production networks (Chung, 2009). At such a point, it has been argued, the firms involved have effectively grown beyond the reach of the governments that helped to give them birth. Examples of such firms include Hyundai, LG and Samsung from Korea. However, the relationship between the Korean government and its economic actors was antagonistic for many years, particularly in the early parts of the Korean EAEM. Easing of tensions only occurred with overall growth of the national economy and the firms themselves found more resources to enact their future plans. Even so, the firms have still been enacting to some extent national development goals, albeit through incentives rather than obligation (Moon, 1994). As the leading firms increasingly recognise that their future growth lies as much in the Knowledge-Based Economy (KBE) as it does in manufacturing or services, the two have worked together to achieve high value-added production means and processes, with government providing infrastructure and highly-qualified labour while the private sector deals with entrepreneurial aspects, finance, marketing, distribution and so forth. Although the nature of the relationship has changed, therefore, its existence continues along different lines. This may not be possible in western countries, for example, where large and transnational firms have become much more decoupled from their original home states or host states (cf. Hutton, 1996).

Clearly, therefore, the nature and indeed existence of the EAEM is not uncontested. There has been a tendency to see the nature of the developmental state as being, in simple terms, statist in nature: the state determines its various goals which it can force private sector agents to transact. In fact, as suggested above, the relationship between public and private sector in the developmental states of East Asia has neither been stable nor unproblematic. Thailand has broadly followed in the footsteps of Korea in that, lacking resources, the state has entrusted the private sector to carry out state developmental goals on behalf of the state which, in return, smoothes the way for firms to complete their own goals. There are other forms
of relationship: in Taiwan, for example, developmental goals were entrusted to government-linked companies (GLCs) which, as their names suggest, are partly-owned and administered by the state and which can be expected to do what is required (Chu, 1994). The situation in mainland China at the beginning of the C21st has some similarities with the Taiwanese example in that State Owned Enterprises (SOEs), in some cases corporatized or under some other organizational structure and ownership, are busily conducting economic activities which are congruent with national goals, particularly with respect to constructing infrastructure in the Mekong region. There are, in other words, significant variations within the different EAEMs and EADMs (e.g. Park, 2002). In some ways this reflects the different configurations of the superstructures of politics, culture and societal arrangements that sit atop the economic bases of the countries involved.

The spatial location of industrial development and related residential accommodation has also been significantly influenced by the EAEM. Commonly, certain areas of land are designated as being industrial estates, export processing zones, special economic zones or some similar terminology and these areas are provided with often subsidized public services such as electricity, water and transportation, while government-provided incentives are provided to encourage domestic and, especially, international investors to locate their economic activities there. Generally, these areas will be located with a view to low labour cost manufacturing rather than resource extraction activities. Consequently, there is a need to attract people to the area to take the jobs provided under the conditions available. In some cases, the local communities and provincial population centres will provide a sufficient labour force to meet demand but it is more likely that over-supply of labour will lead to a suppression of wages and the hiring of people from more remote regions where lower standards of living are normal. In some cases, ethnic minority people or international labour migrants are used to depress wages further and to undermine such labour rights as do exist. While this approach can provide some dynamic economic growth, it is also common for factories to be established aimed at conducting commercial or manufacturing activities which are only possible because of the conditions applying in the special zones in which they are located.

In any case, the concentration of workers means there is a need for accommodation, perhaps dormitories which can be more easily monitored, and the issues of social control that arise under such circumstances. Much factory work is considered to be gender-specific and, so, the accommodation must provide for a preponderance of either male or female workers. It is well-known that social issues may easily arise in these kinds of circumstances, while there may also be problems caused by sub-contractor companies and brokers. If transportation infrastructure improves, alongside personal living standards and hence the access to personal forms of transport, then the labour force may become more dispersed and seek to live in the more exciting urban communities. As is evident from similar situations around the world, the entrance of comparatively large numbers of newcomers into a settled community can be the cause of tension and possible conflict. This issue may be exacerbated when ethnic, regional or class issues are involved. Sensitive provision of public services and administration are required to handle the situation. As Kundu (2009) has observed, Thailand has in common with many Asian countries undergone processes by which the numbers of migrant including international migrant workers has increased considerably over recent decades and certain large urban centres are beginning to feel the strain of growth in terms of public service provision, pollution, crowding and so forth are concerned. From a positive perspective, it is possible for a
country entering the EAEM or at an early stage of its working to seek to manage the spatial location of such industrial zones and to take action to ensure smooth provision of services and related matters.

In terms of social issues, there is one specific consideration relating to changing gender relations. When groups of women are drawn to a remote area to work together in a factory setting and perhaps dormitory accommodation, they can in some cases be empowered to take a greater level of control over their own lives and personal relationships and this might prove to be problematic if they then return to home areas where less enlightened attitudes persist.

Finally, it is necessary to consider the issue of demographic change. Thailand has a population that is gradually ageing and the number of children being born per adult woman has been declining in conformity with well-known economic conventions. These changes are inimical to the smooth running of the EAEM, which requires a constant stream of new entrants into the labour market willing to work for low wages and to move across the country in response to new work opportunities. Since Thailand has a well-established seniority system in terms of terms and conditions, older workers tend to expect to be paid more purely as a result of their seniority and the presumption of greater experience and skill. As workers have tended to become older and, also, better paid, therefore, the ability of the country to maintain its current expression of the EAEM has declined to the same extent.

The EAEM can be a powerful tool for economic change in a mostly poor country or in a country with a dual economy, one part of which has comparatively large numbers of poor people. However, it is not a tool that can be wielded without consideration for the externalities attendant upon it: instead, attention should be paid to the EAEM’s impact upon geographic location of economic activities, its dynamic nature in changing the lives of those involved with it and its impact on social and gender relations, among other area. Above all, the EAEM is a dynamic and transitory force, which cannot be preserved indefinitely and nor should it be. A subsequent section of this paper seeks to identify the implications of these issues for a country such as Vietnam, which has only recently entered the EAEM.

3. The Response to the Crisis: Thai Khem Khaeng

The Thai government took action to provide economic stimulus, in line with the zeitgeist, not wishing to be thought of as being out of step with international sentiment. The stimulus package was launched under the slogan Thai Khem Khaeng (‘Stronger Thailand’). It consisted, initially, of a proposed and subsequently implemented budget that provided for funds in specific areas. These included plans to extend free public sector education places, create as many as 10,000 new hospital beds in the public sector and develop a number of small and medium size infrastructure projects between 2010-2 (on the basis that large-scale infrastructure projects are being financed at least in part by the Asian Development Bank and other international partners). The first package, known as SP1, was aimed primarily at alleviating the misery of the poor through short-term tax breaks, subsidies for public utilities and services for low income households, as well as one-time cash handouts for low-income workers (Chantanusornsiri, 2009). The second part of the package has become known as SP2 or Thai Khem Khaeng and involves committing some 1.43 trillion baht for numerous loosely-defined infrastructure projects across the range of the country and its various industries (progress in these projects is detailed in the table below).
Table 1: Progress of Projects under SP2 (Thai Khem Khaeng)

<table>
<thead>
<tr>
<th>Number of projects</th>
<th>Value (million baht)</th>
<th>% Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>42,258</td>
<td>349,960.44</td>
</tr>
<tr>
<td>Allotment</td>
<td>38,922</td>
<td>320,760.88</td>
</tr>
<tr>
<td>Signed contract</td>
<td>35,985</td>
<td>292,028.20</td>
</tr>
<tr>
<td>Disbursed</td>
<td>34,231</td>
<td>234,400.87</td>
</tr>
<tr>
<td>Completed</td>
<td>1,940</td>
<td>33,078.79</td>
</tr>
</tbody>
</table>

Source: Government Website, http://www.tkk2555.com/online/

To meet these promises, if indeed they are to be met, the government plans to run deficit budgets for the next few years as public debt is anticipated to increase from 40% of GDP at the end of 2009 to as high as 60% of GDP at its highest point. However, it is clear that government projections for the recovery of economic growth depend on the return of export markets to their previous levels. It is by no means certain that these markets will swiftly or persistently return to pre-crisis levels, though, since many European nations have ignored the lessons provided by Keynes of avoiding economic recessions by expanding the public sector to become the principal engine of growth until such time as the private sector is able to resume this role. Instead, these states are precipitately rushing to reduce their deficits and hope, without much evidence to justify such a hope, that they will be able to export their way back into positive growth. This has an impact around the world, of course, since international trade links many states to many: in a globalized world, decline in imports in one country or region tends to spread around the world and, when recession has already weakened international confidence internationally, the system remains fragile.

To understand the nature of the Thai response to the crisis, it is helpful to consider the component of the creative industries, which is indicative of the nature of the two stimulus packages (see table below).

Table 2: Creative Economy Funding, 2010-2 (figures in millions of baht)

<table>
<thead>
<tr>
<th>Ministry/Agency</th>
<th>Projects</th>
<th>2010 Budget</th>
<th>2011 Budget</th>
<th>2012 Budget</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT Ministry</td>
<td>1</td>
<td>200.0</td>
<td>0</td>
<td>0</td>
<td>200.0</td>
</tr>
<tr>
<td>Natural Resources and Environment</td>
<td>3</td>
<td>301.0</td>
<td>175.0</td>
<td>174.0</td>
<td>650.0</td>
</tr>
<tr>
<td>PM’s Office</td>
<td>6</td>
<td>2,654.5</td>
<td>2,805.3</td>
<td>2,805.3</td>
<td>8,265.0</td>
</tr>
<tr>
<td>Industry Ministry</td>
<td>22</td>
<td>1,452.7</td>
<td>3,655.4</td>
<td>2,265.1</td>
<td>7,373.1</td>
</tr>
<tr>
<td>Public Health Ministry</td>
<td>2</td>
<td>10.0</td>
<td>7.0</td>
<td>7.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Science and Technology Ministry</td>
<td>8</td>
<td>930.0</td>
<td>1,031.0</td>
<td>1,021.0</td>
<td>2,982.0</td>
</tr>
<tr>
<td>Culture Ministry</td>
<td>3</td>
<td>250.0</td>
<td>77.0</td>
<td>313.0</td>
<td>640.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45</td>
<td>5,798.2</td>
<td>7,750.6</td>
<td>6,585.4</td>
<td>20,134.1</td>
</tr>
</tbody>
</table>

Source: Government Website, http://www.tkk2555.com/online/

First of all, it is notable that a large proportion of the budget concerned has been allocated to the Prime Minister’s Office, which makes scrutiny of disbursement and selection particularly difficult. Second, the funding was not put into place until 2010 at the earliest, despite the realization in 2008 that urgent action was required. Third, the composition of the funding leaves some decisions open to question. This is in part because of the perceived dimension of allocating projects to different areas depending on the control of ministries within the ruling coalition. Hence, only three
projects were awarded to the Culture Ministry while 22 were allotted to the Industry Ministry. A government spokesperson claimed that some proposals had been rejected because they had simply added the word ‘creative’ to the proposal forms and provided examples of the successful projects funded under the Prime Minister’s Office, under the Office of Knowledge Management and Development (who provided the abovementioned spokesperson): “… the Creative City; the OKMD Creative Awards; the executive creative economic training programme; the Creative Mobile, which provides knowledge and training for people upcountry through roadshows; and website development to publicise information. The Creative City initiative, running from November 2009 to March 2010, includes Creative Shops in Bangkok, a Creative Music Festival where a variety of concerts, some featuring “underground” artists will be staged, and Creative Studio, which provides space for anyone wishing to showcase their achievements. The Bangkok Food Festival would also be held to promote the capital as not only a city of fun but also a city of food diversity (Theparat, 2009).” It is clear from this that the creative industries are defined as including international interests and without any specific element of ‘Thainess’ - although this concept has been used in other aspects of contemporary government policy (Apivantanaporn and Walsh, 2010). It is also clear that this approach appears dominated not just by urban-centred policies but by a vision of consumerist globalisation that is generally rejected in ideological terms by the Abhisit regime and its supporters. Indeed, these policies might well have derived from the previous, much derided Thai Rak Thai administration. This form of capitalism is in many ways a logical response to the crisis of capitalism with which Thailand as part of the modern world has been faced but admitting it would be more honest.

4. Critique of the Thai response

As the World Bank has indicated, economic recovery in Thailand has depended almost entirely on the recovery of exporting as international export markets have (perhaps only temporarily) returned to their previous levels prior to the crisis (World Bank, 2010). This is problematic and renders much of the rest of the programme vulnerable to the charge that it is either just window-dressing or the reassignment of existing (or aspirational) policies under a different name for the government’s marketing purposes.

The Thai Khem Kaeng campaign has been mixed in terms of success. While the use of an economic stimulus package was clearly correct in the prevailing conditions, the way in which it has been structured and administered has been problematic. The principal areas of concern are:

- Lack of transparency in terms of prioritizing specific projects. It is widely thought that party political considerations have been influential in determining which of the competing projects receive funding. This has been because of the perceived need for the Democrat party to reward its coalition members with revenue-making opportunities;
- The tardiness with which funds have actually been disbursed. It has become something of a tradition for right-wing Thai governments to try to conserve parts of its budget, perhaps to allow for contingencies or to permit some kind of discretionary spending;
- The focus of much of the spending: while there was clearly a need for some relief assistance to the poor, too many projects aimed to be purely redistributive in nature without any meaningful anticipation of leading to economic growth overall;
- The lack of an overall vision for the future direction of the economy. What vision has been revealed seems to be based on the idea that short-term survival will be sufficient until such time as the rest of the world is ready to begin importing once again. At the time of writing, it appears that the excessive deficit-cutting in Europe is putting the economic revival sparked
Thailand has reached what the World Bank has called the Middle Income Trap: that is, the country developed a means to raise itself from low income status to middle income status (that is, the EAEM), yet that method is insufficient for it to be transformed from middle income to high income status (Gill and Kharas, 2007: 17-8). A qualitative change is needed in economic structure and purpose in order to escape from the middle income trap. The leading example for East and Southeast Asian nations to follow is that of the Republic of Korea (South Korea or ROK). This country was once one of the very poorest in the world but has, in unprecedented fashion, moved from being a recipient of aid to an aid donor and a member of the Organisation of Economic cooperation and Development (OECD), which is often causally referred to as the “rich countries’ club.” Korea achieved this initially through a fierce application of the EAEM, which was followed until its logical conclusion and the recognition of the need to change, which may be said to coincide with the awarding of the Seoul Olympics that were finally held in 1988. The government led the debate (and took a leading role in planning and implementing subsequent policies) that resulted in greater democratization, leading to freer speech and the unleashing of the creativity of Korean citizens. This has been accompanied by a comprehensive development of internet infrastructure that has made the country the most wired in the world, according to many estimates. The government has also been prominent in labour market planning, in which steps have been taken to identify future demand for labour together with ensuring that the supply of appropriately skilled and rewarded individuals will help to meet that demand. However, of great importance has been the recognition that the public sector is unable to make this qualitative change on its own but has required the entrepreneurial ability and focused creativity of the private sector in order to empower all aspects of society in contributing to economic growth. Growth has, as a result,
been extremely successful, even if some issues of sustainability, the limits of constant economic growth and environmental degradation have not yet been fully addressed.

What can Vietnam learn from this? First there is the need for coordination between demand and (future) supply in the labour market - the jobs that will be available in the future are not by any means those which are likely to be available today and, hence, there is a need for flexibility in the way in which young people are taught (promoting learning and preferably lifelong skills) and the content of what they are taught (including computer skills, creativity, entrepreneurial attitudes and the like) in addition to the political, social and cultural aspects of learning that are deemed to be appropriate for Vietnamese citizens. Secondly, there is a need to understand the degree to which the EAEM is a temporary phenomenon and should be managed for change in the context of emergent although as yet invisible competitors. Thirdly, an integrated vision of the future economy and the areas in which competitive advantage can be sustained is of great importance but will not be available without considerable thought and development. In some senses, free speech and democratization of the people in economic and political terms may be helpful in this context.

The 1997 Asian Financial Crisis, which is often referred to in Thailand as the ‘tom yum kung’ crisis, as if it had some special Thai characteristic attached to it, brought the IMF and its conditionalities to Thailand and encouraged policy-makers and financial elites to begin to speak with the discourse of prudence and parsimony and gave a means of justification for those who believed in policies known as fiscal rectitude. The crisis also had the more positive aspect of requiring certain banks to address the issues of non-performing loans and assets and forcing the revaluation of some assets which had undergone bubble inflation. The pain that this caused in Thailand, as in many other countries, was of course significant and, as ever, it was the vulnerable who suffered the most, not least because of the mostly inappropriate conditions inflicted by the IMF on the Thai economy. Subsequently, the desire to repay the money borrowed to see out the problems of the crisis became seen as a patriotic national goal and was accorded to be a notable coup, when it was achieved, by the Thai Tak Thai administration of 2001-6. However, it also provided not just a discourse but also a pretext for the elitists who wield extra-judicial power in the Kingdom with a means of discrediting redistributive politics as being ‘populist’ and, intrinsically, inefficient and even immoral. This has been used, as it has by the Conservative party in the UK, the Republicans in the USA and the right wing across continental Europe for an excuse for regressive taxation and social security politics. Curiously, however, the current Abhisit regime has wedded this censorsious tone with open populism in the form of vote-buying by making obviously unsustainable promises to the people (most recently by suggesting an immediate 25-30% rise in the minimum wage in Bangkok) with, apparently, a view to gaining political support.

A number of different states have attempted to reconcile the causes changed by the EAEM and the desire to maintain its continuance and the continuance of the benefits that it brings. An understanding of these issues is the first step towards appreciating the steps needed to be taken when one of the periodical crises of capitalism next arrives.

References

Phản ứng kém hiệu quả của Thái Lan với cuộc khủng hoảng kinh tế 2008: Bài học cho Việt Nam và các nước tham gia mô hình kinh tế Đông Á

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Tóm tắt: Khi tham gia vào Mô hình kinh tế Đông Á (EAEM) từ những năm 1950, Thái Lan cam kết theo đuổi mô hình sản xuất gia thành lao động rộng, định hướng xuất khẩu cho nhập khẩu mà gần đây Việt Nam và Campuchia đang thực hiện. Mô hình EAEM đã tạo ra được nhiều cơ hội việc làm trong lĩnh vực sản xuất, tăng tạo thu nhập cho người lao động đồng thời đẩy mạnh nền kinh tế quốc dân. Tuy nhiên, mô hình này cũng còn hạn chế về phát triển của kinh tế quốc dân mặc dù năng cao thu nhập song lại khiến năng lực cạnh tranh của mô hình bị suy giảm. Do vậy, với một cuộc khủng hoảng như đã xảy ra vào năm 2008, chính phủ Thái Lan đã phải thực hiện các chức năng như quan hoach thị trường lao động, đánh giá mức độ rủi ro và toàn diện của các quí định về đầu tư trong nước, kích thích các ngành sản tạo, bắt đầu thảo luận về cơ bản của các hoạt động phát triển trong tương lai và tương dương. Song thật đáng tiếc, chính phủ Thái Lan đã không tận dụng cơ hội để theo đuổi những nổi dưng này, ngược lại họ đã tập trung vào các yếu tố chính trị liên quan tới chính sách nhằm kéo dài vai trò thành viên EAEM hoặc cho các khác là họ đã trở nên vô ích. Bài viết đã phân tích băn khoăn và phạm vi của những phản hồi từ phía chính phủ Thái Lan đối với cuộc khủng hoảng, từ đó, xem xét ý nghĩa đối với các chính phủ đang bước vào giai đoạn đầu của
EAEM song đã nhận thức được nhu cầu cần liên tục nâng cao lực lượng lao động để đảm bảo sự phát triển bền vững của nền kinh tế.