

Notes

Introduction

- 1 This will be shown in the latter part of chapter 3.
- 2 The Thai *rai* is a square measure equal to 1,600 square meters.

Chapter 1 An Overview of the Thai Economy

- 1 The difference between the old and new series is that the agricultural GDP of the new series tends to be lower than that of the old one by about 10 per cent, and the manufacturing GDP of the new series tends to be higher than that of the old one by about 10 per cent.
- 2 These peaks and troughs do not necessarily coincide with those in Figure 1–2 because Figure 1–2 used a three-year moving average.
- 3 For the details of the medium-term trade cycle, see Ikemoto [20].
- 4 Ingram [22], p. 229.
- 5 The extent to which these policies were effective in reducing income inequality is another question. The quantitative analysis of these effects needs more sophisticated analytical tools than those adopted in this study.
- 6 Krongkaew [30], Table 6.

Chapter 2 Changes in Income Distribution in Thailand

- 1 See Datta and Meerman [11].
- 2 See Oshima [43], p. 24.
- 3 Wattanavitukul [68] Table 13, p. 275.
- 4 See Table 6–6.
- 5 See Sen [49] and other articles in the references of this book for the details of these indices.
- 6 See Appendix A of this book and Kakwani and Podder [25].
- 7 This principle asserts that a transfer of income from a relatively higher income class to a relatively lower one which does not reverse the income order will decrease income inequality. See Sen [49].
- 8 This point will be taken up again in detail in the next chapter.
- 9 Ahluwaria [3] is another study on the Kuznets hypothesis.
- 10 See Fei, Ranis, and Kuo [13] for Taiwan, and Adelman and Robinson [2] for Korea.

- 11 Mizoguchi [39], p. 309.
- 12 Kuo, Ranis, and Fei [31], p. 17.
- 13 See Anand and Kanbur [6].
- 14 The results of this part is quoted from Ikemoto [19]. This paper covers only Japan, Korea, Taiwan, Thailand, and Malaysia until 1981.

Chapter 3 Income Distribution in Rural and Urban Areas

- 1 Quoted from Meesook [37], p. 76.
- 2 This is the methodology that Meesook [37] adopted.
- 3 Another factor, the decreasing rural-urban gap, will be taken up later in this chapter.
- 4 Fifty-four per cent of the top decile of the whole kingdom live in the urban area in the narrow sense, which accounts for 31 per cent of urban households.
- 5 See Appendix B for comparison between the socio-economic survey reports and the national income statistics.
- 6 Because of a lack of data, all households in Bangkok are counted as urban households for 1986, though a small portion of households live in sanitary districts and villages. This will overestimate the urban share in 1986 but such overestimation is negligible.
- 7 Figure 3-3 also shows that the urban households are dominant at a higher income level while rural households are dominant at a lower income level.
- 8 Exactly speaking, the figure in Table 3-6 includes not only farm income but also professional and other unincorporated income. But the inclusion would not change our argument so much.
- 9 See Appendix A for the details of this decomposition.
- 10 See Appendix A: Methodology. In the Appendix the word group is used instead of sector.
- 11 For the Theil's second measure and the variance of income logarithm the weights are W_r and W_u and therefore the curve of T_w is a straight line between T_r and T_u .
- 12 See Anand [5].
- 13 See Shorrocks [50] and Hutaserani and Jitsuchon [15].

Chapter 4 Income Distribution by Region

- 1 For Changwats included in each region, see NSO [63], [64], [65].
- 2 Regions in Table 4-3 are ordered by the mean household income.
- 3 To be more precise, the comparison between per capita GRP and household income is not necessarily correct because the household size is different among the various regions. The per capita household income would be better for comparison, but the results would not differ so much.
- 4 A part of the difference is also attributable to the underestimation of household income. See Appendix B.

- 5 Details of this measure are given in Appendix A.
- 6 Notice that the results of Bangkok and the Center are not comparable between 1969 and 1975.

Chapter 5 The Sources of Household Income

- 1 This is different from the pseudo-Gini coefficient which will appear later in this chapter. The pseudo-Gini coefficient is estimated from the distribution of money income ordered by the total income.
- 2 This will be shown later in this chapter.
- 3 The upper limit of income of the decile group is shown in Appendix B.
- 4 Though the share of money income in the North is closer to that of the Center and the South, it may be better to group the North together with the Northeast because the income structure by decile group is similar to that of the villages.
- 5 As the decomposition analysis of the Gini coefficient in the next section shows, even in the municipal areas transfer income does not reduce income inequality because in value terms the higher deciles receive a larger amount of transfer income than the lower deciles.
- 6 This methodology is explained in more detail in Appendix A.
- 7 The "true" Gini coefficient of the income of the i th source is calculated by applying the Gini coefficient to the "true" distribution of income of the i th source where households are ordered by the level of the income of the i th source. This kind of distribution is used for estimating the Theil index and the varlog of Table 5-2.
- 8 See Figure A-13 in Appendix A.
- 9 The adjustment of the income distribution data is explained in Appendix A.

Chapter 6 The Socio-Economic Characteristics of the Household

- 1 See Datta and Meerman [11].
- 2 The latter, however, is not necessarily true. The Gini coefficient for the distribution of household by per capita household income is higher than that of household income. See Table 6-6.
- 3 The decile group corresponds to different income intervals according to the community type. See Composition of the Total Income by Decile Group by Area in chapter 5.
- 4 As to the methodology of the decomposition of the Theil index, see Appendix B.
- 5 We must remind ourselves of the fact that here income inequality is measured in terms of household income. If income inequality is measured in terms of per capita income, household size will become important in rural

areas due to the large difference in the marginal income of household members.

- 6 In Datta and Meerman [11], p. 6.
- 7 This figure is drawn based on the actual data of municipal areas. The same pattern can be observed for the rural areas, although the curve is less steep.
- 8 This figure is, of course, lower than the figure in the 1984 records because most of the household heads finished their education long ago.
- 9 This point is in contrast to the Philippine case where the level of education is an important factor of income inequality. See Terasaki's paper in Yanagisawa and Mizoguchi [72].
- 10 The characteristic that the Theil index has, in that it evaluates the between-group component less and less when a group is more and more dominant, is explained in the theoretical part of chapter 3.
- 11 This might be caused by the minimum wage rate which is 45 baht in Bangkok and 35 baht in the North and Northeast in the 1980. The former is about 30 per cent higher than the latter.

Chapter 7 Conclusion

- 1 The computable general equilibrium (CGE) model may be an answer to this problem. Even the CGE model, however, simplifies or neglects some factors of income distribution. Therefore, the approach adopted in this study may be better understood as a first step to understand income distribution in Thailand.

Appendix A: Methodology

- 1 In this appendix we use the distribution of household by household income. If the distribution is referred to individual and per capita household income, then household and household income should be replaced by individual and per capita household income.
- 2 This methodology is different from that proposed in Aitchison and Brown [4].

Appendix B: Data

- 1 This is the same as villages used in other parts of this study. Village area is used in this section to distinguish them from the sample villages.
- 2 These figures are taken from NSO [64].

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