



Policy of the Government of H.E. Prime Minister Thaksin Shinawatra Delivered to the National Assembly on Monday, 26 February 2001

(Unofficial Translation)

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1. Urgent Policies

- (1) Immediately grant a grace period for both interest and principle payments for 3 years for individual small farmers to relieve their debt burden as part of a comprehensive reform of the traditional farm economy to be more viable and self sustaining in the long term.
- (2) Establishment of the Village and Urban Revolving Fund, funded with one million baht each as a loan facility available for individuals and households of each community to borrow for local investment and supplementary vocations. Concurrently, the Government will promote a "One Village One Product" project to enable each community to develop and market its own local product or products based on traditional indigenous expertise and local know-how. The Government is further prepared to provide additional assistance in terms of appropriate modern technology and new management techniques to market such local products from the village to domestic and international outlets through a national or international retail network or through the internet.
- (3) Establish a People's Bank to ensure better and improved access to banking facilities and resources for low income citizens to enhance their capacity to increasing their income from self employment and thus reduce their dependence on organized and punitive money market sources.
- (4) Establish the Bank for Small-and Medium-sized Enterprise in order to promote existing and increasing the number of entrepreneurs in a systematic manner with a view to expanding the national productivity base, increasing additional employment opportunity and creating income, promoting exports, and serving as the mainstay for future national economic growth and stability.
- (5) Establish a National Asset Management Corporation in order to comprehensively solve the problem of Non-Performing Loans (NPLs) in the commercial banking system swiftly, systematically, comprehensively and to enable the financial system to resume their normal credit functions.
- (6) Utilize State Enterprise as key vehicle to mobilize domestic resources from Thai investors to promote revitalization and development of the Thai economy through selling shares of incorporating a holding company incorporated by grouping a number of state enterprises with strong income potentials employing professional management and free from political interference as one alternative and listing of individual state enterprise directly in the Stock Market of Thailand at the appropriate time as another alternative.

- (7) Provide universal health insurance with a view to reducing the overall cost to the country and the people in acquiring healthcare capping each hospital visit at 30 baht. All Thai people will be guaranteed that equal access to a nationally acceptable standard of health care.
- (8) Accelerate efforts to establish drug rehabilitation centers concurrently with implementing effective drug suppression and prevention measures.
- (9) Encourage full and open public participation in the prevention and suppression of corruption.

2. Economic Policy

2.1 Fiscal Policy

- (1) Accelerate the stimulation of the economy in such a way as to increase the people's income levels and arrest the economic slowdown. Toward this end, the current fiscal deficit policy will be maintained for a certain period but within appropriate product fiscal and monetary and guideline. A balance budget policy will be instituted once the economy has attained a normal and sustained growth path.
(In solving the immediate economic crisis, the Government will prepare a budget based on the country's needs and national development strategies. The budgetary process will be reformed. The budget allocation and payment system will be improved by utilizing appropriate and prudent technology to ensure that expenditure may be allocated, disbursed, supervised, audited and evaluated in a timely manner.
(Budgetary reallocations will be made by reallocating fund from unnecessary or low priority projects or those having high import contents to projects and programmes which will have immediate impact to stimulate the economy, create new employment and/or new income opportunities with definite project or programme targets.
- (2) Improve the tax system in line with national development strategies, in particular, promoting and stimulating the real sector by increasing productivity and domestic value added as the basis for future long term restructuring of the economy as well as the promotion of domestic saving and resource mobilization for investment and creation of new entrepreneurs. The tax codes will be reviewed, a tax map prepared and collection methodology will be streamlined to reduce cost, increase transparency with greater clarity with a view to reduce official discretionary powers and eliminate corruption.
- (3) Maintain a prudent and disciplined fiscal policy to promote stable and sustained growth consistent with national economic policies. Implement a responsive, credible and cost effective debt-asset management policy and restricting government borrowings principally to economic and social development projects and programmes with the purpose of creating income and promote private sector economic development and increasing national prosperity.

2.2 Monetary Policy, Financial Institutions and Capital Markets Policies

- (1) Implement monetary policies that facilitate the extension of credits to the real sector in order to support an expansion in the business sector, stimulate stable economic growth, and promote public savings. Such policies would also be consistent with the country's fiscal policies and national development strategies.
- (2) Implement exchange rate policies that facilitate the process of income creation for the people of all levels and economic recovery. Such policies would also support the productive and services sectors that rely mainly on the use of domestic resources in order to make them more competitive in world markets.
- (3) Accelerate the development and revival of the country's financial institutions system to enable it to function normally to support economic recovery and development, with the least monetary and financial burden on the Government and with the objective of promoting the competitiveness of financial institutions over the long term. The role of state financial institutions will also be developed and adjusted to make them an important mechanism in promoting activities that have the potential to generate income as quickly as possible and in line with the country's national development strategies.
- (4) Accelerate the development of the money and capital markets to make them an efficient mechanism for the mobilization of capital and the promotion of long-term savings by the business sector and the people. The tax structure would be revised accordingly and equitably. Business enterprises that are efficient and have good future prospects would be encouraged to be listed in the Securities Exchange so that the economic sectors that are important and correspond with the country's national development strategies are able to fully utilize the money and capital markets.

(5) Accelerate the development of the market for debt instruments in order to create alternatives and opportunities for greater access to sources of capital of the private sector as well as to create equal importance among the money market, capital market, debt instrument market, and savings in financial institutions. This would help accelerate the development of the country's business sector and the economy in a comprehensive manner, while also promoting savings and diversified opportunities for investments among the people over the long term.

3. Income Creation Policy

The country's debt problem must be resolved by the creation of income. Therefore, the Government would support and promote the process of income creation for the people at all levels. Towards this end, the Government would promote the principles of the Sufficiency Economy in accordance with the potential of each community at the grassroots level of the country, beginning from production for personal consumption to sale of excess production to create income at the family level. The Government would support villagers to join together in conducting economic activities at the community level, accelerate the development of small- and medium-scale entrepreneurs, promote mutually beneficial and supportive linkages between such entrepreneurs and large-scale enterprises, and provide access to domestic and overseas markets in order to systematically strengthen the income creation process for the people. In this connection, the Government will support the restructuring of the production bases in the agro-industrial, industrial and services sectors in order to meet the needs of modern-day markets. In so doing, the Government will emphasize and develop the country's natural resources and skills potential in areas in which the country has a natural or proven comparative advantage. The ultimate aim is to create a new base for creating employment, improve distributing opportunities and reducing risks, and creating a production base for small- and medium-scale entrepreneurs with an overview policy in the 3 following areas of agriculture, industry and services:

3.1 Agriculture

Agriculture policy is divided into 3 parts as follows:

Part 1: Revival and Strengthening of Farmers

- (1) Reform the debt structure and maturity profile of the agricultural sector to correspond with the crop production cycle. Expedite the resolution of farmers' debt. Implement a debt moratorium and suspension of interest payments for a period of 3 years for small-scale farmers.
- (2) Promote the practice of mixed agriculture, alternative agriculture and organic agriculture as well as support the learning process for farmers.
- (3) Support farmers to have adequate land for earning their livelihood by implementing a coordinated and comprehensive land utilization policy and by optimizing the use of idle land. The management of water resources at every level must also be improved efficiently in a manner that is suited to the production system of each crop and the conditions of the terrain. Emphasis must be placed on the full participation of the people in the restoration, conservation and development of land that is upriver as well as in river basins, reservoirs, irrigation canals, water quality, and piped irrigation. The use of surface water and underground water must also be efficient and systematic, especially in projects involving the development of large water sources.

Part 2: Development of Domestic Markets and Strengthening Rural Communities

- (1) Develop production in the rural sector and strengthen community economies by linking the processing of agricultural produce with the "One Village, One Product" Project. A one-million-baht Village and Community Fund will be established in each village to serve as a revolving loan facility for the long-term local investments and income creation in rural areas at community levels.
- (2) Develop the marketing system for modern agricultural produce. Provide support for the construction of barns and crop drying grounds for farmer groups in rural areas. Promote the establishment of an information technology network for agriculture news and improve access to marketing information concerning agricultural goods so that farmers may undertake production planning in an efficient manner.
- (3) Promote and strengthen cooperatives, community businesses, agricultural institutions, and community organizations, enabling them to participate in making and

proposing agricultural policy and measures as well as in agricultural research and development.

(4) Increase production efficiency by promoting research and utilizing local knowledge as well as modern technological know-how.

(5) Promote and support agriculture and agro-industry appropriate to the particular conditions of the terrain and climate as well as in accordance with the demands of the market and the capacity of each community.

Part 3: Increasing the Competitiveness of the Agricultural Sector in the World Market

(1) Support the creation of new value added by processing agricultural produce. Develop the quality, standards, forms, and packaging of agricultural and agro-industrial goods.

(2) Develop Thailand as a centre for the production of organic agricultural products. Promote the registration of patents involving agricultural production in every area as preparation for future liberalization in trade of agricultural products.

(3) Improve quality controls, standards and safety of agricultural products, both imports and exports. Support the development of biotechnology to improve productivity, quality and standard that are internationally recognized and market tested.

(4) Promote coastal fishing, aqua-culture and marine farming as well as fishing beyond territorial waters based on bilateral cooperation with neighbouring countries, developing a strong national fishing fleet, supporting the cold storage industry, and promoting the processing of fishery goods. Conservation and protection of natural marine resources and the ecology of the seas is a primary policy.

3.2 Industry

(1) Restructure the industrial sector and promote investment consistent with the country's targets and national development strategies, while taking into consideration the country's natural resources, traditional and proven Thai skills and local knowledge, our potential in the area of production and marketing, and the need to strike a balance between utilization of domestic or imported raw materials.

(2) Promote the development of basic industries and linkages with related supporting industries as part of industrial restructuring and development.

(3) Develop skilled personnel and labour in the industrial sector in line with future industrial development strategies. Support measures to increase value added in industrial production. Promote and develop production processes that are of a high standard, pollution free or low environmental impact, while ensuring transparency and efficiency in management.

(4) Develop small- and medium-sized industries to play a significant role in the development of the country's industrial sector by supporting and promoting cooperation in the research and development of products and technology among the public and/or private sector and educational institutions as well as the creation of an information network concerning production and marketing factors.

(5) Promote the role of financial institutions. Support the establishment and operations of a Venture Capital Fund as well as a facility for guaranteeing credits for the development of small- and medium-sized industries.

(6) Support the growth of new entrepreneurs in small- and medium-sized industrial businesses in the new knowledge-based economy.

3.3 Services and Tourism

Tourism is a major foreign exchange industry. Therefore, it is the policy of the Government to improve the quality, diversity and standard of services and ensure the long-term competitiveness of the Thai services and tourism industry as follows:

3.3.1 Development of the Services Sector

(1) Improve and develop the basic factors necessary for increasing the efficiency and boosting the competitiveness of Thailand's service sector. This includes the production and development of service sector personnel, the development of different forms of providing services, and the development of technology and infrastructure.

(2) Arrange for agencies and organizations concerned to join together in developing a strategy whereby the potential of the services sector can be fully utilized. This would enable the services sector to serve as a source of foreign exchange and local revenue through areas such as tourism, education, health services, health care, sports and recreation.

(3) Accelerate the development of entrepreneurs in the services sector to provide them with appropriate knowledge and comparable skills in languages, service standards and management. This would help in strengthening and preparing them to cope with any new changes in international agreements governing the services sector.

3.3.2 Tourism Promotion

(1) Accelerate the restoration and strengthening of relations and cooperation with neighbouring countries in order to develop Thailand as the main gateway for tourism in the region in terms of marketing, transport, investment and management as well as solving any obstacles to such tourism developments.

(2) Administer tourism by using proactive marketing tactics. Tourist activities must be developed both at the domestic and international level, with linkages to small- and medium-sized enterprises as well as community businesses. The quality of tourism services must be enhanced and Thailand's standing must be elevated as a centre for conferences, seminars and exhibitions in Southeast Asia.

(3) Accelerate the development, restoration and revival of the country's cultural heritage and assets, both within and outside city areas, in order to create new focus of tourism. Create new shopping areas for tourists by promoting the role of the private sector in collaboration with the community in preserving tourist sites and the Thai ways of life to remain distinct and vibrant.

(4) Increase the diversity of different forms and purposes of tourists, targeting eco-tourism, health tourism, and nature tourism. New tourist sites must be developed and promoted. Communities must be able to play a greater role in the management of tourism, whether through the establishment of tourism cooperatives or the development of community areas as tourist sites.

(5) Increase tourist facilities, ensure greater tourist safety, prevent unfair exploitation of tourists, and take effective measures to eliminate the difficulties faced by tourists.

4. Commercial and International Economic Policies

The Government is determined to elevate the country's international trade policy from one solely emphasizing the acceleration of exports at all levels to one focused on developing a global marketing network system able to respond to the rapidly changing needs of consumers, thus integrating the Thai economy as part of a powerful global economy in a borderless world. The strategy will be as follows:

4.1 Commerce

(1) Support and promote the preparedness of the private sector in coping with competition in the international trade arena. Towards this end, modern marketing approaches must be employed; organizations, personnel and an information system must be developed; planning and development of production must be in line with the needs of the market; production and sales networks must be interlinked to yield maximum benefits in terms of capital and marketing; a state of preparedness must be achieved in terms of the skills, technology and knowledge necessary to compete at the global level.

(2) Develop and promote Thailand as a centre for trade in goods and services in the region as well as a centre for international exhibitions.

(3) Promote e-commerce to create opportunities for entrepreneurs in accessing the global market by expeditiously pushing forward measures and legislation essential for the conduct of e-commerce.

(4) Accelerate measures to improve the administrative efficiency of the agencies concerned, both within and outside the country, in order that they may carry out their duties in supporting and promoting exports, whether in terms of marketing, providing information or helping resolve trade obstacles overseas.

4.2 Trade in Goods and Services

(1) Promote Thai businesses to be able to obtain technology and intellectual property from all sources, and develop them to create value added by enabling such businesses to diversify their production. Promote the establishment of a fund to provide the opportunity for Thai inventors and entrepreneurs to develop and utilize unique Thai know-how and indigenous intellectual property rights with full treaty protection.

(2) Support small- and medium-sized retail businesses to be able to compete and adapt themselves to withstand the impact of liberalization of trade in services.

(3) Institute zoning measures and relevant regulations for new large retail businesses.

(4) Promote consumer protection and an effective process of informing and servicing the public and ensuring better quality of services and products for consumers equitably. Revise and amend laws as well as institute measures for the protection of consumers with a view to ensuring justice for consumers as well as improving the country's products and services.

4.3 International Economics

- (1) Support free trade in the international arena, taking into full consideration the level of preparedness and national interests of the country as well as the interests of domestic entrepreneurs. Push for the amendment and revision of laws that pose an obstacle to the Thai private sector in international trade competition.
- (2) Emphasize a proactive role in the international trade and economic arena. Push for the holding of negotiations in the international arena, based on the principles of justice and bearing in mind the interests and limitations of developing countries.
- (3) Support and advance the free trade policy of the ASEAN Free Trade Area. Promote trade and investment with neighbouring countries as well as border trade. Promote the development of Thailand into a base for the production of goods and the provision of services in the region.
- (4) Promote and support entrepreneurs from the private sector to play a part in providing trade and investment data as well as in analyzing the possible impact brought about by international trade and investment regulations. This would be of benefit in setting the directions and strategy of Thai foreign policy as well as international trade and investment negotiations.

5. Communications Policy

- (1) Promote the development of infrastructure for a communications and transport network, which will serve as the basis for improving production, creating employment, and creating income.
- (2) Modernize the telecommunications system and enable it to reach all parts of the country for the benefit of receiving and sending information and knowledge to the people, with linkages to other countries, and lay the foundation for the liberalization of the telecommunications business.
- (3) Improve and develop the mass transit system as well as the domestic communications network, linking the two together efficiently, conveniently, swiftly and safely.
- (4) Promote cooperation in building a transport and communications network linking Thailand with her neighbours, with a view to making Thailand the centre for land transport in the region, and assist in economic development and enhancing the quality of life of the people.
- (5) Promote the development of the merchant marine in a systematic and earnest manner in order to support the country's export sector. Promote the establishment of a Thai merchant marine fleet and related industries. Ensure that the development, construction and management of deep seaports are adequate and of a good standard.
- (6) Forge closer cooperation with neighbouring countries with a view to protecting the right, freedom and safety of navigation through the seas in neighbouring countries.
- (7) Develop the quality and improve the efficiency of air transport services to keep pace with the needs of customers, tourism promotion, and economic growth. Ensure that Thailand will remain the central hub of air transport in the Southeast Asian region.

6. Labour Development Policy

It is apparent that human resources are the heart and soul of the New Economy. The Government has, therefore, set the following guidelines for developing and elevating Thai labour as follows:

- (1) Promote the private sector to play a part in developing labour skills and expertise in order to improve the quality and skills of Thai labour. Towards this end, the Government will institute monetary and fiscal policies in order that the development of labour skills and expertise will be responsive to the needs of enterprises in each community. Labourers should receive just compensation with a view to alleviating the unemployment problem, reducing the migration from the countryside to seek employment in urban areas, and improving the quality of life of the people in each locality.
- (2) Implement adequate social security measures; expand the range and scope of labour welfare in order to provide suitable protection for labourers, both within and outside the

system; protect the health, safety and environment in the workplace, particularly one that will protect child and women labourers.

(3) Promote the creation of a labour relations system that will provide the opportunity for all sides concerned to participate in the resolution of labour problems as well as develop and protect labourers in an efficient and just manner.

(4) Protect Thai labourers overseas from being exploited by employment brokers and employers.

(5) Stipulate appropriate measures for dealing with foreign labour, taking into consideration the private sector's need for labour as well as the requirements of maintaining order and internal security, and the need to develop domestic labour as replacement in key areas.

7. Science and Technology Policy

The Government is mindful of the fact in order to achieve an economic recovery it is necessary to rely on appropriate science and technology for developing the production and services sectors. Towards this end, the following policies will be pursued:

(1) Expedite the development of personnel in the areas of science and technology at every level so that there is a sufficient number in terms of both quantity and quality. This will help support sustainable national development and prepare the country for entering the New Economy.

(2) Promote science and technology in the area of research and development by providing support to agencies in both the public and private sectors to benefit the management and production of small- and medium-sized enterprises. Science and technology should be used to help resolve economic, social and environmental problems as well as the selection of the appropriate skills suitable to improve the potential, expertise and proficiency of Thais. This will help increase the capacity for production for export and domestic consumption, both in the industrial and agricultural areas.

(3) Promote the use of technology, particularly information technology, for modern administration and management in order to respond to the needs of national economic and social development. The technology chosen should be appropriate, inexpensive, and can be developed and expanded in a sustainable manner.

(4) Revise and amend the laws dealing with science and technology so that they may benefit scientific and technological development as well as protect intellectual property rights.

8. Natural Resources and Environmental Policy

The Government has the policy to restore the conditions and quality of natural resources and bio-diversity, to prevent degradation and depletion of natural resources, and to recycle and reuse the natural resources and bio- diversity in a manner that is beneficial to the people's livelihood. National development must be well balanced and provide a basis for the sustainable economic and social development of the country. Towards this end, the following policies will be pursued:

(1) Manage the environment, natural resources and bio-diversity in an integrated manner by upholding the principles of good governance and popular participation by the people and the local community.

(2) Promote and encourage participation by the people and the community in waste control and waste disposal, both of which affect the health, welfare and quality of life of the people.

(3) Support the notion of taking social costs into consideration when conducting project evaluations of repercussions on the environment and natural resources. In managing the environment and natural resources, the Government supports the principle that whoever causes pollution shall also bear the costs as well as the system of joint rights.

(4) Promote technological research and development with a view to increasing Thailand's capacity to manage, conserve and restore the environment. Support the beneficial use of natural resources from all sources, including the recycling of waste and other used materials.

(5) Set national environmental standards that are suitable for and compatible with Thailand's level of development in the scientific, economic and social spheres. At the same time, such standards should be in tandem with international environmental standards dealing with international trade.

(6) Set standards for controlling the importation of chemical, toxic and hazardous substances in accordance with the international standards set by developed countries with a view to preventing Thailand from becoming a test site or commercial site for

hazardous substances and materials that are sub-standard.

9. Energy Policy

The Government has the policy to conserve and develop energy as well as promote the efficient use of energy in balance with the country's environment and natural resources. Efforts will be made to reduce dependency on energy sources from foreign countries.

Towards this end, the following policies will be pursued:

- (1) Promote the combined use of energy by further developing the use and exploitation of Thailand's natural gas, which is a domestic resource, as the country's major source of energy.
- (2) Promote the efficient procurement and use of alternative energy sources by expediting the survey, development and procurement of alternative energy sources as well as by promoting research and development of innovative energy sources for the purpose of energy conservation.
- (3) Emphasize energy management to increase the competitiveness of Thailand's production sector and to enhance the stability of energy prices through appropriate monetary, fiscal and managerial measures.

10. Social Policy

It is the policy of the Government to develop the country's human resources, physically, mentally and intellectually. The Government will also endeavour to strengthen the society and make it sustainable with the aim of developing Thailand into a just, moral and balanced society.

10.1 Public Health

The Government is determined to create a system that provides public health services and health insurance to the public so that the people of Thailand may enjoy good health. In this connection, the Government will undertake to reform the public health system in order to reduce the country's total public health expenditures as well as to reduce the health care expenses incurred by the public. The Government will also create guarantees and opportunities for access to medical and health care services that meet an appropriate standard for all the people on an equal basis. Towards this end, the following policies will be pursued:

- (1) Establish a National Public Health Insurance Fund by passing a National Health Insurance Act with the aim of improving the Government's efficiency in utilizing the public health budget as well as alleviating the public's burden in paying for public health services.
- (2) Promote the production, development and expansion of public health personnel and service centres to meet the needs of the people in the country, both in terms of quantity and quality. In addition, the Government will promote and develop an information system as well as set standards for traditional Thai medicine, other alternative medicine, and Thai herbs for use in the provision of health care services with quality and safety.
- (3) Organize a system for the prevention and eradication of dangerous infectious diseases as well as the prevention of accidents and disasters. Efforts will be made to control the increase of HIV/AIDS patients and provide appropriately for their care. Support the creation and dissemination of knowledge concerning health care. Accelerate the organization of activities involving the promotion of health and sports. Support the establishment of network organizations for controlling and preventing disease at all levels.

10.2 Sports

- (1) Promote sports activities both at the community and school level with the aim of promoting health and serving as the starting point for development towards semi-professional and professional sports. The private sector will be encouraged to play a role in the development of sports.
- (2) Promote and support the organizing of sports competitions at both the national and international levels in a systematic manner for the prestige of the country and the pride of the people. Support will be given to instill a good attitude towards sports among the people.

10.3 Drug Prevention and Suppression

The Government, as one of its most urgent policies, will accelerate efforts aimed at drug

prevention and suppression. Such efforts will be based on the principle "Prevention before Suppression", "Drug Addicts Must be Treated, Drug Traffickers Must be Punished". Towards this end, the following policies will be pursued:

- (1) Stringently enforce the law and create a special process to control and suppress traffickers and all those involved in the manufacturing and trafficking of drugs in a strict, swift and just manner. Amend the law to increase the highest degree of punishment for political and government officials who are involved in drug trafficking. Provide rewards and special protection for public officials and citizens who cooperate with the Government in drug suppression.
- (2) Strictly control the importation of chemicals which may be used in the production of drugs. Strengthen the mechanisms of the public sector as well as legal measures so that they may be able to keep up with the evolution in technology involved in the production of drugs.
- (3) Foster cooperation with international organizations and the international community in order to control and eradicate drug production bases as well as transnational networks for the distribution of drugs.
- (4) Amend and revise laws that pose an obstacle to the obtainment of medical treatment as well as the physical and mental rehabilitation of drug addicts. Such addicts must be able to receive medical treatment and rehabilitation as soon as possible facing any legal charges. In addition, the Government will set up a system that will provide services for the treatment, rehabilitation, vocational training and acclimatization of drug addicts in order that they may be able to return to the mainstream of society.

10.4 Family, Children, Youth, Women and the Elderly

It is the policy of the Government to build the family institution into a warm and strengthened institution. The family should serve as the basic core in the revival of the economy and the shield for all family members of all ages from social problems. Towards this end, the following policies will be pursued:

- (1) Establish Family Development Centres in each community with the participation of community members. Such centres shall provide advice and services concerning the family, whether regarding health, family planning, and family problems.
- (2) Support the establishment of childcare centres for pre-school children in communities and the workplace. Such centres must be of good quality and standard.
- (3) Amend and revise laws as well as strictly enforce laws aimed at severely preventing, suppressing and punishing offenders who violate children's rights and abuse children.
- (4) Promote the rights, status and role of women. Develop the potential of women so as to enable them to participate fully in the development of their communities and country, whether in the economic, social or political sphere. Promote the equality of women in pursuing government service.
- (5) Honour and provide guarantees to the elderly through the creation of social safety nets for the elderly. Develop the health care services provided to the elderly. Utilize the experience and knowledge of the elderly for the benefit of developing society.

10.5 Supporting the Underprivileged

- (1) Provide assistance and support for the participatory development of the poor, the disabled, the handicapped, and the underprivileged to enable them to enjoy a good quality of life and look after themselves.
- (2) Support public charity organizations in alleviating the effects of public hazards and providing assistance to victims at both the national and community levels.
- (3) Establish an appropriate educational and vocational training system commensurate with the degree and nature of the disabilities or handicaps. This includes developing the learning and teaching media, augmenting specific skills as well as developing facilities essential for the disabled and handicapped.

11. Education, Religion and Cultural Policy

11.1 Education

In lieu of the 1997 Constitution and the 1999 Education Act, the Government is determined to launch educational reforms with the aim of developing Thailand into a knowledge-based society, which is a pre-requisite for becoming a knowledge-based economy. The reforms will provide the Thai public with equal access to life-long education and training, enabling them to acquire knowledge and capital to generate income and to eventually pull the country out of the economic and social crisis. Towards this end, the

Government will abide by the principle that "Education Builds the Nation, Empowers the Individual and Generates Employment" as follows:

- (1) Accelerate efforts to establish an educational system and network that is of high quality and truly beneficial to the general public.
- (2) Emphasize quality, efficiency and justice in the management of public education of all categories and at all levels.
- (3) Develop an education technology system and information network to increase and disperse the opportunities for education for all Thais in both urban and rural areas.
- (4) Establish community colleges, particularly in provinces where institutions of higher education are still needed.
- (5) Promote and encourage all sides to assume collective responsibilities in managing education and training. The Government will assume the responsibility of establishing the system and policies, providing quality controls, mobilizing resources, and ensuring the preparedness of local government organizations, the private sector, and family networks. The Government is also committed to providing public education to the disabled, the handicapped and the under-privileged.
- (6) Promote the role of Thailand as an educational hub for the neighbouring countries.
- (7) Promote the integration of education, religion, culture and sports into the educational and training curriculum offered to children and youth.
- (8) Reform the learning process through the "learner-centered approach", self-education and life-long education by emphasizing the power of creativity, encouraging a love for reading, and providing sufficient community-based libraries, learning centers and educational mediums for public use.
- (9) Ensure that "teaching" becomes a dignified, highly respected and trusted profession. Develop high-quality teachers and educators who live up to basic ethical requirements.
- (10) Improve the educational curriculum to ensure that children and youth are disciplined, hard working and competent.
- (11) Provide the opportunity for those who have completed compulsory education (grade 9) and basic education (grade 12), together with the unemployed and the elderly, to be able to undergo vocational training in at least one profession, supporting them to become self-employed.
- (12) Reform and improve the quality of vocational training, upgrading the curriculum of vocational schools so that they can confer bachelor's degrees. Such reforms are undertaken in light of the increasing demand for vocational training in the agricultural, industrial and service sectors. Vocational education should also encourage on-the-job training by students.

11.2 Religion

- (1) Support and promote religion-affiliated educational institutions in promoting religious teachings and doctrines. Encourage all religious establishments to maintain a clean and peaceful environment so that they can benefit the nearby communities in terms of spiritual development.
- (2) Encourage children and youth to study religious teachings and participate more often in religious functions, particularly with their family members.
- (3) Encourage people of different religions to engage collectively in public services that are beneficial to society as a whole with a view to promoting peace and harmony in the Thai society.

11.3 Culture

- (1) Promote cultural awareness among children and students, particularly regarding Thai arts and culture as a means of preserving Thailand's cultural heritage.
- (2) Preserve and restore cultural and historic sites for educational purposes and as a means of generating income for the people.
- (3) Encourage the public and youth to play a role and engage in cultural activities jointly with educational institutions, families and communities.
- (4) Encourage the tourist industry to honor and publicize Thai culture in a dignified and creative manner.

12. National Security

Thailand's economic and security interests depend not only on having appropriate economic policies, but also on the country's national security agencies. To promote Thailand's national security, the Government will pursue the following policies:

- (1) Develop the country's national defense system to have sufficient capacity for self-

defense and for maintaining the country's economic interests. Strengthen the unity of the people and encourage public participation in the development of a national defense system according to the comprehensive security approach. Support regional peacekeeping operations under the framework of the United Nations.

(2) Develop the capabilities of the Thai armed forces. Improve the command structure and management system of the Defense Ministry and the armed forces so that the military is fully prepared to protect the country's national sovereignty and interests.

(3) Promote the role of the armed forces in national development, particularly in projects under the royal initiatives and in missions aimed at alleviating poverty. Provide assistance and relief to disaster victims. Participate in efforts aimed at conserving and protecting the destruction of natural resources and the environment.

(4) Support the military to cooperate with government agencies, private organizations and the public in seeking concrete solutions to the narcotics problem and in providing treatment for drug addicts.

(5) Encourage the military to join with the public sector in providing for public health, education, and vocational training in order to increase the net income of the troops and their families. Special emphasis is placed on disabled veterans as well as family members of veterans who were disabled, crippled or lost their lives in the line of duty.

13. Foreign Policy

(1) Conduct foreign policy with an emphasis on proactive economic diplomacy as well as other forms of diplomacy with a view to restoring and strengthening Thailand's international relations as well as seeking international cooperation in all fields.

(2) Uphold the principles of security, development and international peace building with a view to enhancing justice under the framework of the United Nations and related international organizations of which Thailand is a member.

(3) Promote a more proactive role for Thailand in the international community by expanding closer international cooperation and relations between ASEAN member countries and countries in East Asia, South Asia and other regions as well as by acting as a coordinator in pursuing cooperation for peacekeeping and prevention of international conflicts in the region.

(4) Promote, preserve and protect the country's rights and national interests including those of Thailand's private sector, Thai labourers and Thai citizens abroad.

(5) Expeditiously restore and strengthen Thailand's relations and developmental cooperation with its neighbours and other Asian countries by pursuing or initiating relations and developmental cooperation in all fields, both bilaterally and multilaterally, with a view to fostering good understanding in resolving problems and sharing mutual benefits in a constructive, sincere and peaceful manner.

14. Public Safety

(1) Ensure that the people enjoy safety in their lives and properties through the prevention and suppression of all crimes as well as through the establishment of prompt and efficient systems for the prevention of accidents and disasters.

(2) Promote public participation in efforts aimed at the prevention of crime and public hazards in their own communities and localities.

15. Public Administration Policy

It is the policy of the Government to promote the country's political development towards participatory democracy in order to give the people the opportunity for greater self-government and protection of their own rights. In addition, the Government is committed to improving efficiency, creating greater transparency and eliminating corruption in public administration and services, with a view to enhancing social justice and national development at present and in the future. Towards this end, the Government will undertake the following measures:

15.1 Political Reform

(1) Expedite the enactment and amendment of laws in accordance with the provisions of the Constitution so that the people's constitutional rights and freedoms are truly protected. This may be achieved by clearly determining the procedures, time frame and responsible agencies, as well as by organizing public hearings on the issue of political reform and political development.

- (2) Promote the implementation of human rights principles in public administration and the learning of human rights and civic duties in educational institutions.
- (3) Enable the constitution-based non-government agencies to function efficiently, transparently and with accountability.
- (4) Promote and support the establishment of various forms of organizations and among private individuals, and encourage such organizations to participate in political activities as well as to present their opinions and assessments concerning important government projects which have impact upon the environment and economy. Such organizations may also participate in inspecting the work of the public sector as well as participating in the formulation of important public policies.
- (5) Encourage the Thai people and private organizations to cooperate closely with people and non-governmental organizations (NGOs) abroad, with a view to forging a constructive relationship between the countries and the peoples.

15.2 Public Administration

- (1) Reform the public sector in order to improve efficiency and streamline the governmental structure in line with the current situation and to enable the public sector to better serve national economic and social development. At the same time, accelerate the enactment of legislation to facilitate bureaucratic restructuring in order to keep up with the global trends as well as changes in the social and economic situation.
- (2) Revise the public sector's role from operator and controller to supporter and facilitator. Support the activities and roles of the private sector and the people by enabling them to actively participate in the process of public reform in order to lay down clear and continuous guidelines for operations.
- (3) Improve the public administration process by utilizing information technology with a view to providing the people with comprehensive, fast and non-discriminatory information services. At the same time, the Information Act will be amended to truly serve the people's needs.
- (4) Accelerate measures to improve the quality of government officials, inculcating in them a favourable attitude towards public service. Revise various laws, regulations, operation procedures, and guidelines in order to achieve flexibility, effectiveness, transparency, and accountability in public administration. The Government's administration should also be open to a systematic and fair evaluation.
- (5) Accelerate the reform of the budgeting process, making it an efficient tool for the allocation of resources in a way that is consistent with national development policies and strategies. Promote the public agencies to play a greater decision-making role as well as institute an efficient and transparent inspection system.

15.3 Decentralization Policy

- (1) Place an emphasis on local revenue collection and decentralization of fiscal power to local authorities in order to achieve budget management that is more independent, taking into consideration the needs and appropriateness for development of the localities.
- (2) Encourage clear, appropriate and step-by-step decentralization of power from the central government to the local authorities. At the same time, the potential of local civil service administrations and local governmental organizations must be strengthened and further developed in line with the activities of each locality. There must be greater independence with regard to local budget management and allocation, income acquisition and management of local properties.
- (3) Encourage the local people, civil society and private organizations to participate in local administration, thereby providing for inspection, monitoring, and evaluation of the local administration. Such participation ranges from the decision-making process, policy formulation, and procurement to the appointment and removal of the local authorities for the sake of transparency and efficiency as well as in response to the needs of the local people. Promote better understanding with regard to the roles and responsibilities of all the organizations concerned so that the local decentralization process can proceed in an effective manner.

15.4 Prevention and Suppression of Corruption

- (1) Undertake all measures of punishment necessary - whether disciplinary, administrative, civil, criminal or tax-related - in a manner that is resolute, swift and fair to both corrupters and those involved in protecting them. Push for the amendment and revision of legislation, while developing the monitoring system to ensure that those found guilty of corruption are severely punished. Compensation should also be paid to the public

sector and the people who have been affected by such corruption.

(2) Conduct a serious campaign against corruption and instill public awareness and social norms concerning this matter so that the people may join together in fighting corruption and malfeasance by government officials. At the same time, the morale of all honest officials should be promoted.

(3) Encourage the people to join together in forming people's organizations and to play a participatory role in the prevention and suppression of corruption and malfeasance.

Incentives should be provided to encourage the people's participation in various forms.

(4) Reform the process of budgetary allocation and spending as well as the public procurement system with a view to enhancing transparency and efficiency in approving the budget. Towards this end, the Government will encourage qualified persons and members of the public to play a greater role in monitoring and analyzing the budget proposals and budget spending.

15.5 Development of the Legal Process and Legal Reform

(1) Accelerate the process of restructuring the Ministry of Justice to provide it with a role and responsibilities covering the legal process in a thorough and efficient manner.

(2) Encourage and support the use of settlement measures other than through court settlements in order that such measures can serve as a tool for consumers, the public, the underprivileged and the disadvantaged to ensure that their rights are protected and safeguarded.

(3) Revise the system and procedures in which offenders are treated, making them more diverse and capable of providing for the rehabilitation of such offenders in an efficient manner.

(4) Encourage communities, members of the public, and people's organizations to be more involved in the legal process as well as in setting policy for the administration of justice.

(5) Accelerate the reform of any outdated laws, rules and regulations in line with the country's present economic and social conditions, while making them flexible enough to cope with future variations.

(6) Promote more research and studies in law and other fields related to both public and private sectors. This will, in turn, lead to the amendment and revision of existing laws or the proposal of draft legislation that is significant to and necessary for the country's development.

16. Policy for Development of Regions of the Country and Bangkok Metropolis

16.1 Development of Regions of the Country

(1) Set a strategy for developing the regions of the country that is both appropriate and compatible with the region's prominent geographical features, natural resources, and potential for development of the people in each region.

(2) Spread out but link together the public utilities system and the transport and communications system. Build an information technology network in the various regions that is adequate, systematic and in line with the development of each region.

(3) Promote and encourage those provinces that are well prepared to join together and collaborate with one another to form a grouping of provinces or a specific zone.

(4) Establish a city planning system that corresponds with the directions of the country's development and the needs of the people in each locality. Promote the strict enforcement of legislation dealing with city planning.

16.2 Development of Bangkok Metropolis

(1) Support efforts to restructure the capital city by making clear plans for beneficial use of areas in Bangkok Metropolis. At the same time, networks will be developed to link together all the public services in a systematic manner.

(2) Promote and support local administration by Bangkok Metropolis to be more flexible and independent of central government agencies, whether in terms of budgeting, policy making and management.

(3) Accelerate and support efforts aimed at the creation of jobs and income with a view to raising the quality of life of the people of Bangkok Metropolis. The problem of dwellers in "crowded communities" will be dealt with in a systematic manner. This includes finding them new living areas, creating jobs, providing education and public health, restoring and conserving the environment, preventing crimes, providing relief from public hazards, as

well as preventing and suppressing drug trafficking.

(4) Promote the establishment of a mass transit system that is efficiently linked together to form a network. Develop the quality of services provided by the mass transit system. Coordinate the construction of basic public utilities so that it is compatible with the future directions of city development and planning
