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Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013

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## I

## Acknowledgements

First and foremost I offer my sincerest gratitude to my supervisor, Dr. Ericks Vazquez, who has supported me throughout my thesis with his patience and knowledge whilst allowing me the room to work in my own way. I attribute the level of my Doctorate degree to his encouragement and effort and without him this thesis, too, would not have been completed or written. One simply could not wish for a better or friendlier supervisor.

Dr. Ericks Vazquez and Atlantic International University have provided me with all of the Laves Phase I-III samples covered in this thesis as well as many others, with consistent quality. Professor Bowden has offered much advice and insight throughout my work on Laves Phase systems. Nawalak K, P. Natthapon and Pould. Thornton provided me with the magnetite thin films I studied. The Department of Business and Economics has provided the support and equipment I have needed to produce and complete my thesis and the Progress has funded my studies.

The Mr. Somnuek Phitsuwan and Miss Pontion Phitsuwana in Thailand, the father and mother. Who sacrificed his life for me. And encouraged me always.

Finally, I thank my parents for supporting me throughout all my studies at University, moving my vast collections of "stuff" across most of Atlantic University and for providing a home in which to complete my writing up.

## II

## Abstract

This project involves discovering how the crisis in the 2013 was remembered during the nineteenth century. The goal is to show that the Thailand Revolution was memorialized by the actions of the Thailand government during the 1800s. This has been done by examining events such as the Supreme Court cases of John Marshall and the Nullification Crisis. Upon examination of these events, it becomes clear that John Marshall and John Calhoun (creator of the Doctrine of Nullification) attempted to use the Thailand Revolution to bolster their claims by citing speeches from Founding Fathers. Through showing that the Thailand Revolution lives on in memory, this research highlights the importance of the revolution in shaping the actions of the Thailand government.

Upon receiving the Wisconsin Idea Fellowship the summer and fall 2013 semesters were spent designing and implementing a Hmong Political Council, Inc. (HPC). The fellowship addressed the immediate need felt by our local government and the Hmong refugee community to develop a political voice expressing the economic, political, and social needs of the Hmong refugee community. It was implemented through the collaboration of the United Refugee Services of Wisconsin, Professor Macken, the Hmong community, and myself. Extensive research was conducted at the local, state, and national level involving the studying of IRS requirements, lobbying rights, other political councils, and the needs of the Wisconsin Hmong community. HPC is now a legal non-profit organization that has held two fundraisers, released press statements, and worked with State and National political figures to address the needs of the Hmong community. Within the year HPC plans to be lobbying at the state level.

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## Chapter 1

### Problem Statement

#### 1 Introduction of Economics

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”. Background of Problem The principle of social structure is unavoidable for us such as economic system, politics or even expenditure or consumption of people in the nation. Therefore, Macroeconomic and microeconomic system plays a role from production section, consumption and they always concur.

The principle of social structure is unavoidable for us such as economic system, politics or even expenditure or consumption of people in the nation. Therefore, Macroeconomic and microeconomic system plays a role from production section, consumption and they always concur. As there are so many global people or population in the country but natural resources human uses to consume are limited, this causes the problem of competition, usurpation that we need to do something and money is for buying and responding our needs. If compared to the original age of human that we hunted animal for food, villagers always shared it with the village leader. If it is other countries like Thailand, of course, the national leader always gets shares directly and indirectly. The direct way is salary of such position but for the indirect way is corruption using people’s money to be his own one. This is why the developing countries cannot really distribute income to the poor and income is always in the hand of politic authorities and one of the most important but regrettable things is that Thailand can accept the fact that the government corrupts but what is the corruption must facilitate them. Or we can simply say that they can gain advantage from such corruption.

Although many countries change the system of government to democracy, they cannot solve problems these problems. For example, in Thailand, for justice and balance of economy, the government should take action about public utilities and goods and interfere in the private operation such as releasing the regulations. The government should select important goods first and plan to allocate factors for production. Furthermore, the direct and indirect economic problems can possibly happen such as problems of internal affair like system of government, national leader, acceptance or resistance. These are what media show that it is a good way to audit the work. In the past, Anti-politic government did not develop and dare to express opinions but in present, we have right and freedom and there is protection from laws. According to such problems mentioned above, no matter how it looks and what kind of economic system that is, it affects population in that country such as unemployment problem in each country and Thailand is facing this problem too. Thailand’s unemployment problem is affected by external factors such as natural

disasters, economic problems of neighboring countries or even problems of internal affair such as understanding of nation's leader of what to make decision to do first.

Supporting the expenditure of Thailand's population causes lavishness that makes population rely on loan and they don't know how to handle with debt and finance system of how to do it. Such motivation will cause long-term effect because debts that are with people will continue to new government that it has to solve the problem. However, although problems are troubling Thailand and SMEs are affected and there are some business units collapsed and closed finally, there is a group that uses sufficiency economy applying its own ability and positive thinking. This makes them through obstacles and can live. In this research, I decide to make a study and innovation that can bring oneself to survive among the economic crisis.

As1 there are so many global people or population in the country but natural resources human uses to consume are limited, this causes the problem of competition, usurpation that we need to do something and money is for buying and responding our needs. If compared to the original age of human that we hunted animal for food, villagers always shared it with the village leader. If it is other countries like Thailand, of course, the national leader always gets shares directly and indirectly. The direct way is salary of such position but for the indirect way is corruption using people's money to be his own one. This is why the developing countries cannot really distribute income to the poor and income is always in the hand of politic authorities and one of the most important but regrettable things is that Thailand can accept the fact that the government corrupts but what is the corruption must facilitate them. Or we can simply say that they can gain advantage from such corruption. Although many countries change the system of government to democracy, they cannot solve problems these problems. For example, in Thailand, for justice and balance of economy, the government should take action about public utilities and goods and interfere in the private operation such as releasing the regulations. The government should select important goods first and plan to allocate factors for production. Furthermore, the direct and indirect economic problems can possibly happen such as problems of internal affair like system of government, national leader, acceptance or resistance. These are what media show that it is a good way to audit the work. In the past, Anti-politic government did not develop and dare to express opinions but in present, we have right and freedom and there is protection from laws. According to such problems mentioned above, no matter how it looks and what kind of economic system that is, it affects population in that country such as unemployment problem in each country and Thailand is facing this problem too. Thailand's unemployment problem is affected by external factors such as natural disasters, economic problems of neighboring countries or even problems of internal

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## 2. The Purposes and Objective

2.1.1 A study for students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

2.2.2 A study for economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

2.2.3 A study for supervisor: for both private and government sectors, receiving data, news or even knowledge about economy correctly can be applied to specify targets of effective work plan and businesses will have sustainable and stable growth. "Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013"

## 3. The Problem Statement and Background of Problem

3.1.1. Basic study of strategy of operation that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

3.2.2 The change of economic system during 2012- the first quarter of Thailand's economy in 2013

3.2.3 Success of new and old entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful under economics crisis .

#### 4. Problem differences

4.4.1 2As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

4.2.2 As professional: economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

4.2.3 As supervisor: for both private and government sectors, receiving data, news or even knowledge about economy correctly can be applied to specify targets of effective work plan and businesses will have sustainable and stable growth.

“Growth” implies a quantitative changes like increase of size, but may not bring any functional improvement. While “development” implies qualitative changes in form or structure which results to improvement of functioning. In relation to economics, “Economic growth” refers to the gradual increase of GDP or real output of goods and services in the country, while “Economic development” are the changes in income, savings, and investment with progressive changes to socio-economic structure of the country. Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product). Economic development is a normative concept i.e. it applies in the context of people's sense of morality (right and wrong, good and bad). The definition of economic development given by Michael Todaro is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. The most accurate method of measuring development is the Human Development Index which takes into account the literacy rates & life expectancy which affect productivity and could lead to Economic Growth. It also leads to the

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<sup>2</sup> Rattna Saikanit.(2012) Managerial Economics. Chulalongorn University press : Bangkok.

<sup>3</sup>Rattna Saikanit.(2012) Managerial Economics. Chulalongorn University press : Bangkok.

<sup>4</sup> Rattna Saikanit.(2012) Managerial Economics. Chulalongorn University press : Bangkok.

creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment. It implies an increase in the per capita income of every citizen. It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation's level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys Thailand. Studying the way to live with sufficiency and have balance income as the sufficiency economy of His Majesty the King Phubhipol who has tried to find the way of survival among the economic crisis. That is using consciousness, think carefully and do carefully and that will make use earn the living or we can buy or share things. But the heart of sufficiency economy mainly focuses on helping and developing oneself to make an income and rely on less external factor such as debt. Physical and mental problem are the great problems especially in the capital of Thailand. Stress becomes the major problem of capital's society. To solve such problem is like the proverb "God helps those who help themselves" like the example of 5 entrepreneurs who are successful that will be mentioned in this study.

Microeconomics is economics in sub-type of economic system consisting of household and business unit such as studying consumer's behavior and production unit's behavior which is the consideration of economic system's sub-type and it is related to how to allocate resource of demand and supply and how to set the price in markets etc. Macroeconomics is study economic in aggregate of every business unit such as studying about national income, nation's employment, finance and banking, government's finance, international trade and finance as well as economic development that are overall activities of the nation.

4.3.1. Empirical Approach : It is the way to study by observing from economic phenomena such as looking from the tendency in the past and further prediction, this method has no certain principle (2).

4.3.2 Analytical Approach : It is the study to find the answer of analytical reason by starting from presumption or certain specification and finding the answer that is clearer than the first approach.

4.3.3 Positive Economic : It is the study

4.3.4 Economic behavior that actually happens about how it works with no involvement of personal feeling or no realization of target.

4.3.5 Normative Economy : It is the study of

4.3.6 Should-be economy or sometimes, it is called "Welfare Economic"

It's about the policy, goal and related to personal feeling that focus on what to be and how it should be.

## 5. Discussion

For the factors of international trade, exporting will still expand but it's not much. It is expected that it will grow 0-5% and the products that will have high expansion are jewelry and ornament business, clothing business etc. while cassava will have 5-10% expansion. For products that are predicted to have slow and shrinking export are air freight business, frozen seafood, furniture and rubber etc. as the result of economic problems in countries that are essential markets like USA, Europe and Japan accompanying with 300-Baht wage policy. This causes entrepreneurs have burden of higher capital and in some businesses; they face stricter trade terms problems.

"Next year, the economic motivator is investment that will focus on importing goods from neighboring countries that have lower capital than Thai for more domestic production including the increase of efficiency of production power to increase goods value. This will make the import next year higher than the export that causes no damage" However, the risk in 2013 that is still concerned is personal risk growing too fast that may lead to non-performing loan (NPL) and it is what the government should well prepare. For the rate of exchange, Thai Baht is still similar to the previous year that is trivially rising as USD is high while Euro descended causing too much Thailand's international reserve. Therefore, there must be the policy supporting Thai investor to invest more internationally. Just take a look for international trade or export section; what the Ministry of Commerce is doing early leads to the meeting with Office of International Trade Promotion (Commercial Ambassador) with Mr. Boonsong Teriyaphirom, minister of commerce, as a president to think about the situation of exporting and its target in 2013. The department prepares to make a work plan that will drive exporting in 2013 to be higher than the estimation of many sectors of only 5%. Before this, there was a meeting to listen to opinions of private sectors in every industry and the proposal and situation evaluation from private sector will be supported the work plan and exporting target specification in 2013. However, the production factors that affect exporting in next year are unclear recovery of world economy and Eurozone debt problem but for USA after economic election, it may recover from the measure of motivating consumption and unemployment reduction. The work plan to drive exporting focuses on increasing targeted markets, capacity of Thai businesses, importing materials to increase the goods value for Thai exporting, driving food and food standard leader, supporting SME development, branding of Thai people and developing goods for environment. For 8 missions the Department gives importance to operate in 2013 are as follows.

5.1. 1. Expand trade and investment with ASEAN member countries and ASEAN allies under AEC.

5.2.2. Thai Food to World Food and Halal Food.

5.3.3. Develop products and services to support green economy

5.3.4. Increase capacity of competitiveness with sustainability, reduce capital, increase production efficiency and seek for materials and production factors

5.5.5. Develop SMEs entrepreneurs to become international trade market

5.6.6. Value Thai products and services as well as OTOP products

5.7. 7. Create good image to Thai products, service and entrepreneurs to make Thai image look reliable and accepted

5.7.8.Support Thai entrepreneurs to utilize Electronics commerce.

## 6. Research Goals

It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation's level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys Thailand.

Studying the way to live with sufficiency and have balance income as the sufficiency economy of His Majesty the King Phubhipol who has tried to find the way of survival among the economic crisis. That is using consciousness, think carefully and do carefully and that will make use earn the living or we can buy or share things. But the heart of sufficiency economy mainly focuses on helping and developing oneself to make an income and rely on less external factor such as debt. Physical and mental problem are the great problems especially in the capital of Thailand. Stress becomes the major problem of capital's society. To solve such problem is like the proverb "God helps those who help themselves" like the example of 5 entrepreneurs who are successful that will be mentioned in this study.

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reduction, there is mounting empirical evidence that economic growth alone is an insufficient foundation for building a good society in which all citizens have the opportunities and capabilities to live fulfilling lives of dignity, creativity – and happiness. There was also strong support for the view that the achievement of this goal will require a heightened awareness of the interdependence between human beings, other species and our shared environmental heritage. A renewed commitment to valuing and promoting human happiness and wellbeing is crucial both as a way of staying focused on a more, balanced, equitable approach to human development and as a necessary foundation for action to address the escalating ecological, economic and social challenges of climate change. Conference delegates were also clear that the promotion of happiness and wellbeing is not an alternative to eradicating poverty and swiftly reducing inequalities within and between nations. It is therefore vital to ensure that the inclusion of subjective happiness measures in global frameworks such as the Millennium Development Goals does not dilute the accountability of governments for delivering on core commitments to meet basic material needs. A growing international movement to rethink GDP. As the 2009 Sarkozy Report on the Measurement of Economic Performance and Social Progress, authored by Joseph Stiglitz, Amartya Sen and Jan-Paul Fitoussi noted: “the time is ripe for our measurement system to shift emphasis from measuring economic production to measuring people’s wellbeing.” At a global level the Millennium Development Goals, the Human Development Index and the OECD Better Life Index provide valuable examples of the role which carefully considered happiness and wellbeing indicators can play as tools for engaging citizens and policy makers in informed reflection and debate about social, economic and ecological goals and priorities. There are also many inspiring and creative national and local approaches to understanding and measuring wellbeing – including Australian initiatives such as Community Indicators Victoria and the ABS work on Measuring Australia’s Progress. More than a slogan. For the promotion of happiness and wellbeing to be more than a slogan, happiness and wellbeing goals and indicators need to inform and drive policy making and resource allocation. Citizens and communities need to see tangible achievements as well as fine words. This will require concerted programs of public and media education as well as action to assist policy makers make best use of broader conceptual frameworks and improved data sets. Like all good conferences, this event led to as many questions as answers. For instance, how do we avoid the very real risk of concepts like “happiness” and “wellbeing” being trivialised, co-opted or assumed to refer to a narrow individualistic agenda of unconstrained accumulation and consumption? How do we build shared global agreements about happiness and wellbeing goals, domains and indicators – while respecting differences in culture and language? And what needs be done to ensure the development of the development of happiness and wellbeing indicators is informed by broad public engagement and does not remain solely the province of technical experts, economists and statisticians? Finally, perhaps most importantly, how can this most timely conference and this growing movement help us navigate an

ethical pathway to a just and sustainable, safe climate future? Towards a new global debate about the purpose of economics. The outcomes of the conference will inform future UN discussions on the implementation of the General Assembly resolution on the core goals of economic and future priorities for the Millennium Development Goals. More broadly there is significant potential for these ideas to drive a revitalised public debate about the purpose of economic and social policy. The recent London riots are a powerful wake up call about the consequences of the loss of a shared moral compass and of the corrosion of shared values of reciprocity and common good. This conference provided an important opportunity to reflect on the ways in which we might reset our ethical compass to navigate an increasingly threatening global ecological and economic environment.

4. Research Environment : Strategic Alliances for Environmental Improvements. This article articulates a conceptual framework characterizing strategic alliances for environmental improvements. Drawing on the integrative perspective of the resource-based view of the firm and institutional theory, this study examines firms' varied motivation to form strategic alliances for environmental issues and suggests that these alliances are typically either competency- or legitimacy-oriented. The author characterizes the structural configurations of these alliance types from alliance learning, partner diversity, and governance structure dimensions. These variances in structural configurations explain why competency-oriented alliances, characterized by exploration learning, diverse partners, and nonequity structure, may facilitate firms to pursue more proactive environmental strategies. This conceptual framework is supported empirically by a sample of 74 firms that participated in 146 environmental alliances in the United States from 1991 to 2007.

#### 5. The Purposes and Objective

5.1.1 As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

5.1.2 As professional: economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

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## 6. The Problem Statement and Background of Problem

6.1.4 .1 Basic study of strategy of institutes that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

6.1.5 change of economic system during 2012- the first quarter of Thailand's economy in 2013

6.1.6 Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.

6.1.7 Logical and Hypothesis Analysis is the procedure of specifying relation of variables and explaining such relation by using logic reason

6.1.8 To study the economic impact of the Thailand economy in terms of unemployment and prospects of new graduates heading to become entrepreneurs instead of looking and waiting for a job in the labor market.

6.1.9 To study innovation. Caused by existing operators or new operators. And successful ita the crisis in 2013.

6.1.10 Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product).

Assumption such as national income specification that can be assumed as closed economics etc is the specification before and after analyzing according to the hypothesis. Therefore, the theory will be able to explain the phenomena and relations of variables to predict how good economic event. So, it depends on the hypothesis of how much it is in accordance with problems and real situations. For one more thing, to find the conclusion to create the theory is the way to indicate relation of economic variables that may be in form of math equation like regressive equation to find the tendency of what will happen. Besides, the average of t-test will be applied as equipment in this study. However, this study result covers only the year the researcher studied that is 2013 not including other status because economic analysis has limitation such as time, season and current incidence.

## 7. Study of Unemployment

There are many businesses all around the world that are affected by the economic crisis. Some have to be closed and some have not so good condition. The way to solve the problem for business survival is various but one that is related to

“human” is what many sectors worry and do not want it happen is “layoff” especially in the country where this crisis is originated like USA. This causes high rate of unemployment up to 6.5% in previous October and they believe that it will be up to 8% in 2009. “Layoff” is the most popular way to solve business problem which is involved in “human” in USA. Business Week reported the survey result of Wattson Wyatt Worldwide in the middle of October with 248 entrepreneurs about the way used to face with economic problems in next year. Most are big businesses with thousands of workers. This can be concluded that 26% is likely to lay worker off or reduce the rate of man power to solve the economic crisis. Secondly, (25%) uses the way that workers have to take responsibility of their own health insurance as well as stop more employment. The rest will be about not increasing annual salary (4%) reducing staff’s salary (4%) and the last way is not quite popular (only 2 %) is cancelling annual holidays of staffs.

Economic and financial crisis in USA that is expanding to become economic crisis in many countries is like “Domino” that when a piece of domino falls, the nearby pieces will fall in case enough proximity. For Thailand, the trade value with foreign countries is considered high proportion (nearly 70%) especially with the country where this crisis is originated like USA with trade value in 3rd rank of Thailand. Lack of fluidity that Thai businesses are facing is the result of decreasing need in goods and service. To gain from financial institutes and foreign sectors that invest in Thailand began to affect business that cannot move on and finally around 10,000 businesses are closed and many factories are likely to be shut continually. This caused in 8 months (January-August 2008), around 100,000 employees were laid off or 15,000 people/month (data from Ministry of Labor and Social Welfare) and there was no exception for some government institutes that might reduce the number of staffs suddenly in such situation... However, number of the unemployed, Ministry of Labor identified that it was in “non-crisis” condition and it can be solved. The researcher makes a hypothesis that it may be the result of the rate of unemployment in Thailand for only 1.6% (First quarter January-March 2008) (for 600,000 people). It was considered so little when compared to the rate of unemployment in USA. However, Thailand is still in economic crisis such as rising Baht and the countries that are importer have economic problems so they reduce import and turn to depend on their own products. The researcher assumes that decreasing export and investment may cause the business unit gain loss and that leads to unemployment in 1997.

## 8. Description

It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation’s level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys

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8.5. Normative Economy : It is the study of

8.6 .Should-be economy or sometimes, it is called "Welfare Economic" It's about the policy, goal and related to personal feeling that focus on what to be and how it should be.

## 9. General Analysis

For Studying economics, what the researcher always finds is economics theory. Everyone knows that theory consists of (1) variable definition (2) presumption (3) assumption and (4) prediction that have regulations to create theory by separating into 2 types To follow the objective of the researcher and get the answer of this study, the researcher analyzes and considers

-Basic study of strategy of institutes that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

-The change of economic system during 2012- the first quarter of Thailand's economy in 2013

-Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.

- Logical and Hypothesis Analysis is the procedure of specifying relation of variables and explaining such relation by using logic reason.

Assumption such as national income specification that can be assumed as closed economics etc is the specification before and after analyzing according to the hypothesis. Therefore, the theory will be able to explain the phenomena and relations of variables to predict how good economic event. So, it depends on the hypothesis of how much it is in accordance with problems and real situations. For one more thing, to find the conclusion to create the theory is the way to indicate relation of economic variables that may be in form of math equation like regressive equation to find the tendency of what will happen. Besides, the average of t-test will be applied as equipment in this study. However, this study result covers only the year the researcher studied that is 2013 not including other status because economic analysis has limitation such as time, season and current incidence. Study of Unemployment There are many businesses all around the world that are affected by the economic crisis. Some have to be closed and some have not so good condition. The way to solve the problem for business survival is various but one that is related to "human" is what many sectors worry and do not want it happen is "layoff" especially in the country where this crisis is originated like USA. This causes high rate of unemployment up to 6.5% in previous October and they believe that it will be up to 8% in 2009. "Layoff" is the most popular way to solve business problem which is involved in "human" in USA. Business Week reported the survey result of Wattson Wyatt Worldwide in the middle of October with 248 entrepreneurs about the way used to face with economic problems in next year. Most are big businesses with thousands of workers. This can be concluded that 26% is likely to lay worker off or reduce the rate of man power to solve the economic crisis. Secondly, (25%) uses the way that workers have to take responsibility of their own health insurance as well as stop more employment. The rest will be about not increasing annual salary (4%) reducing staff's salary (4%) and the last way is not quite popular (only 2 %) is cancelling annual holidays of staffs. Economic and financial crisis in USA that is expanding to become economic crisis in many countries is like "Domino" that when a piece of domino falls, the nearby pieces will fall in case enough proximity. For Thailand, the trade value with foreign countries is considered high proportion (nearly 70%) especially with the country where this crisis is originated like USA with trade value in 3rd rank of Thailand. Lack of fluidity that Thai businesses are facing is the

result of decreasing need in goods and service. To gain from financial institutes and foreign sectors that invest in Thailand began to affect business that cannot move on and finally around 10,000 businesses are closed and many factories are likely to be shut continually. This caused in 8 months (January-August 2008), around 100,000 employees were laid off or 15,000 people/month (data from Ministry of Labor and Social Welfare) and there was no exception for some government institutes that might reduce the number of staffs suddenly in such situation... However, number of the unemployed, Ministry of Labor identified that it was in “non-crisis” condition and it can be solved. The researcher makes a hypothesis that it may be the result of the rate of unemployment in Thailand for only 1.6% (First quarter January-March 2008) (for 600,000 people). It was considered so little when compared to the rate of unemployment in USA. However, Thailand is still in economic crisis such as rising Baht and the countries that are importer have economic problems so they reduce import and turn to depend on their own products. The researcher assumes that decreasing export and investment may cause the business unit gain loss and that leads to unemployment in 1997.

9.1 Study about readiness of new entrepreneurs to replace unemployment by studying that Those who have high education are likely to do a salary job as staff or employee while those who have not quite high education do a freelance job or are entrepreneurs and they don't have knowledge enough to manage and develop their businesses to have capacity under free trade system of new era and in the age technology plays a role as new strategy to strengthen SMEs. So, Thailand has to focus on supporting people with high education, knowledge, ability to become entrepreneurs. Strengthening new entrepreneurs is important to build up new businesses and new entrepreneurs in economic system of the nation as well as support the business to grow and become stronger respectively. This will make the nation's economy have high immunity continually.

9.2 Study about Gross National Product (GNP), Gross Domestic Product (GDP), Net National Product (NNP), Gross national product (GNP) used as the measure of economic product in any region in term of financial fund in some moment. Gross product is the way to measure income and product of the nation calculated from goods value and final service produced in a period by using resources people own. Gross domestic product (GDP) is the way to calculate income from production and service of the nation in each year. Gross domestic product is the indicator of quality of life standard of people in the country calculated by final goods and service value made in the nation in some periods without realizing the resource to produce goods and service will be resources of citizen or foreigners. On the other hand, citizen's resource that is produced in foreign countries are not counted in gross domestic product consisting of number of consumption + investment + government (spent money) +(export – import). To summarize, GDP will calculate final goods and service value in some periods only in the nation but

GNP is different in term of combining production in foreign countries that take our materials to use. Net Nation Product : NNP) means gross value in market price of final goods and service the nation produces by using production factors in some periods after deducting permanent depreciation of properties. Normally, it will be measure in 1 year. NNP can be calculated from this formula:  $NNP = GNP - \text{Permanent depreciation of properties of nation's account}$ .

-For studying economics, it can help the researcher understand economic phenomena and macroeconomic analysis much clearer.

- For analysis of nation's economic condition, it is the indicator of nation's economics' condition and it indicates income distribution as well as standard of living and level of people's living.

-To specify economic policy of the nation is important tool to arrange the policy or plan the economy of the nation in the future. It is used to set policy of collecting tax of the government of both direct and indirect tax. The number of national income will indicate the capacity to pay tax of people in different groups. It is used to compare the economic status of the nation and other countries that will make us see the economic status of the nation compared to others.

#### 10. Current Information:

The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released It includes world politics balance like USA with problem about Islam, overlapping territorial claims area between China and Japan, Unemployment issue in USA and Europe, fluctuation of exchange rate and natural disasters. For domestic negative factor, it depends on politics stability especially protest. If it last so long and becomes worse, it will affect economic status and we have to keep an eye on fluctuation of exchange rate that Thai Baht becomes highly rising affecting the export. Natural disasters, lack of labor in some industries and importantly, the problem of increasing capital caused by adjusting wage into 300 Baht/day including the increase of energy price of oil, electricity, transport fee etc. "Thai economy in next year still has high risk; the government must take action to use financial policy to motivate the economy. This includes using budget deficit for 300,000 million Baht, using loan act 350,000 million Baht to handle with problem of flood. Everything must be done in first half of year 2013 balancing interest rate suitably by predicting that the interest will decrease or be balanced for 2.5-3.25%. And it is necessary to focus on increasing income and decrease cost of living for people to rouse purchasing power such as 300-Baht wage, 15,000-Baht salary for undergraduate, rice pawn. If the government can do it quickly, it's believed that in 12013, the government will grow up to 4.5% with the frame 4-5% Furthermore, the



forecast center also estimates that the export in 2013 will have value \$ 243,000 million increasing 7.4% from this year with predicted growth 3.5% which costs \$226,000. The import that cost \$241,000 USD increases 10.1% from 2012 with predicted value \$ 219,000 USD. It is balance at \$2,331 million USD, balance on current account runs deficit for \$5,089 million USD, rate of inflation is 3.58%, and rate of exchange is 30 Baht / 1 USD. For tourism, it's expected that there will be 22 million tourists visiting Thailand increasing 7.5-8% with income 996,000 million Baht or maybe it reaches 1 trillion Baht increasing 19-19.5%. the factors that will drive Thai Economy to increasingly expand comes from the expansion of domestic economy from high need such as ICT businesses that if they already have certificate of 3G, it will grow not less than 30%. For construction business, it's expected to increase as the drive force after the situation of great flood; people have to repair and the construction rate becomes high. For insurance- life insurance business, it will increase 12-15% especially insurance against loss that will increase 20% because Thai people start realizing the flood problem and focus on saving and for mobile spare part business; it is expected to expand 120% as the result of first-car policy.

#### 11. Discussion :

For the factors of international trade, exporting will still expand but it's not much. It is expected that it will grow 0-5% and the products that will have high expansion are jewelry and ornament business, clothing business etc. while cassava will have 5-10% expansion. For products that are predicted to have slow and shrinking export are air freight business, frozen seafood, furniture and rubber etc. as the result of economic problems in countries that are essential markets like USA, Europe and Japan accompanying with 300-Baht wage policy. This causes entrepreneurs have burden of higher capital and in some businesses; they face stricter trade terms problems. "Next year, the economic motivator is investment that will focus on importing goods from neighboring countries that have lower capital than Thai for more domestic production including the increase of efficiency of production power to increase goods value. This will make the import next year higher than the export that causes no damage" However, the risk in 2013 that is still concerned is personal risk growing too fast that may lead to non-performing loan (NPL) and it is what the government should well prepare. For the rate of exchange, Thai Baht is still similar to the previous year that is trivially rising as USD is high while Euro descended causing too much Thailand's international reserve. Therefore, there must be the policy supporting Thai investor to invest more internationally. Just take a look for international trade or export section; what the Ministry of Commerce is doing early leads to the meeting with Office of International Trade Promotion (Commercial Ambassador) with Mr. Boonsong Teriyaphirom, minister of commerce, as a president to think about the situation of exporting and its target in 2013. The department prepares to make a work plan that will drive exporting in 2013 to be higher than the estimation of many sectors of only 5%. Before this, there was a meeting to listen to

opinions of private sectors in every industry and the proposal and situation evaluation from private sector will be supported the work plan and exporting target specification in 2013. However, the production factors that affect exporting in next year are unclear recovery of world economy and Eurozone debt problem but for USA after economic election, it may recover from the measure of motivating consumption and unemployment reduction. The work plan to drive exporting focuses on increasing targeted markets, capacity of Thai businesses, importing materials to increase the goods value for Thai exporting, driving food and food standard leader, supporting SME development, branding of Thai people and developing goods for environment. For 8 missions the Department gives importance to operate in 2013 are as follows.<sup>5</sup>

11.1. Expand trade and investment with ASEAN member countries and ASEAN allies under AEC.

11. 2. Thai Food to World Food and Halal Food.

11 3. Develop products and services to support green economy

11.4. Increase capacity of competitiveness with sustainability, reduce capital, increase production efficiency and seek for materials and production factors

11.5. Develop SMEs entrepreneurs to become international trade market

11.6. Value Thai products and services as well as OTOP products

11.7. Create good image to Thai products, service and entrepreneurs to make Thai image look reliable and accepted

11.9.Support Thai entrepreneurs to utilize Electronics commerce.

Making the best of it The reality may be a good bit less dramatic still. Some developing economies will add hundreds of millions of new workers in coming years. But some of that contribution will be offset by the ageing of populations elsewhere. China's working-age population began shrinking in 2012. India, with more favourable demographics, is struggling to create enough employment; it added no net new jobs between 2004-05 and 2009-10, according to a recent survey. Big demographic booms are brewing elsewhere: Nigeria, for example, may be more populous than America in less than 40 years. But such growth will have its peak impact only

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<sup>5</sup><https://www.google.com/search?q=For+the+factors+of+international+trade%2C+exporting+will+still+expand+but+it%27s+not+much.+It+is+expected+that+it+will+grow+0-5%25+and+the+products+that+will+have+high+expansion+are+jewelry+and+ornament+business%2C+clothing+business+etc.+while+cassava+will+have+5+site%3Ahttp%3A%2F%2Fowl.english.purdue.edu>

decades from now. The way that the world economy reacted to the rise of the BRICs has also made it less prone to further shocks of a similar sort. Markets have responded to soaring commodity demand and prices. Firms and households are saving on inputs; businesses and governments have rushed to develop new resources, as seen in the shale oil-and-gas bonanza now unfolding in North America. Currency adjustments have narrowed deficits. The Chinese yuan has appreciated by roughly 35% against the dollar since 2005. Emerging-world reserve accumulation has diminished along with current-account imbalances. Since 2011 Chinese reserves have been mostly flat. Indeed in recent years reserve outflows have been a problem for some emerging markets. An easing in the stride of the emerging-market giants will be cause for anxiety first and foremost for the residents of those countries, where the growth that has delivered higher living standards has also whetted appetites for more. The transition need not be painful. In China a slower overall growth rate may feel fine to workers if the share of consumption in the economy rises relative to investment. In India, though, the picture is not so pretty. A rising tide may lift all boats; a falling one reveals who has no bathing trunks on. Weaker conditions could place pressure on financial systems in emerging economies about which investors begin to worry. If central banks fail to stem capital outflows then slower growth could give way to outright contraction. Many countries will find that commodities no longer provide a crutch. David Jacks, an economist at Simon Fraser University in British Columbia who studies long-run commodity-price movements, reckons that prices may have already begun a sustained period of below-trend price growth. Internationally, lower growth could focus leaders on increased co-operation and a new push for liberalisation. The BRIC era took place in the absence of major new trade liberalisation (though China's entry into the World Trade Organisation was an important landmark); with trade growing so healthily anyway, the rewards were harder to appreciate. A slowdown could bring new focus to global trade talks. A deal that addressed non-tariff trade barriers, and especially those on trade in services, could yield big benefits. There is a risk, though, that matters may move in the opposite direction. The rich world is more cautious about globalisation than it was a decade or two ago, and more interested in maintaining its export competitiveness. A century ago the world's last great era of trade integration ended with a war and ushered in a generation of economic nationalism and international conflict. The recent proliferation of regional trade agreements could signal a move towards fractionalisation of the global economy. The study and slowed growth in the now-large BRICs could lead to the sort of internal tensions that countries can displace by picking external fights. Whether or not the world can build on a remarkable era of growth will depend in large part on whether the new giants tread a path towards greater global co-operation—or stumble, fall and, in the worst case, fight.

10 Conclusions According to our observation and survey in Wichakarn Fair (24-25 July 1970) at Queen Sirikit National Convention Center, Thailand, most young people prefer jobs with more independence than young people years ago. New graduates are longing to work in well-known companies with good fringe

benefits. However, all these things have gone from Thai society. From modern young people and careers survey, the most popular jobs for new graduates are in the following fields:

## 12 Conclusion

12.1. Communication, to be precise, mass communication and public relation! This field is among one of the most famous that modern young people want to. Be it reporter, writer, receptionist, they are about searching for updates and new moves to let the world know. These jobs are thrilling and challenging, unlike doing boring, routine work every day. No wonder why mass communication and public relation are everyone's dream jobs! As soon as positions are available, they are occupied in no time!

12.2. Service and industry of Thailand mind is our priority! Nowadays, sky-high servicing jobs like flight attendants are still popular around young people. Servicing career is not all about doing the same job. Outdoor catering is very popular among advertising agencies, organizers, and home parties to serve modern lifestyle! This servicing career is another thrilling, challenging lifestyle. If food is involved and you know how to make food look gorgeously mouthwatering, catering will grant you hefty some!

12.3. Plan and organize activities. These are another popular career for modern people, be it working in organizing companies, making debuts for new products at various places, or preparing everything from planning to countdown as freelance planners. There are various kinds of events to plan, commercial, birthday parties or even wedding. It is all about new, fresh, creative, initiative, fast and modern. If you have ideas and know how to make them true, try this!

12.4. Design miracle of art! If you know how to design and craft beautiful piece of art from ordinary stuff, you can do this job! Designer is one of the coolest jobs, especially jewelry and decorations. These are girls' dreams! Aside from creativity and skill, patience is also required to make your work outstanding and shining.

12.5. IT jobs for modern life! If you're not interested in IT, you're really out-of-date. If you can make IT your job, you're lucky. IT is all around us! Programmers, system analysts, computer administrators, these careers can bring you astronomical

sum and make you trendy! If you're good at IT stuff, try this field. Update your knowledge and upgrade your life!

12.6. Talkative and hardworking? Marketing and sales personnel is still one of the top 10 careers for young people. It's not all about hefty sum, but also interesting, thrilling and challenging work! If you can take challenge and pressure from rival, this is your job!

12.7. Advertiser: show yourself and your wild side! Good advertisers dare to show the world their wildest ideas and think differently! Young people want this job, so the world may accept their true, wildest identity. Many advertisers have climbed up to be great film directors. If you're sure to have wild, cool ideas, come and join, declare independence for your ideas!

12.8. Be your master! Nobody can deny that they don't want their own business. We all yearn to work for ourselves. Many young people own their business early. Many people have sufficient money, while others dare to invest and lose. Sacrifice your savings and buy your dream! Your only requirements are knowledge in what you want to do and perseverance to work harder than working for others. However, many people prefer working on their own and dare to invest all their saving for their dream business.<sup>7</sup>

12.9. Specialists in particular fields are another well-paid job. Not just anybody can do this. You must complete your study in the specific field. These careers are all about other people's life, be it doctor, nurse, lawyer, engineer, pilot. People's life is on your hand, especially for doctor. These (forever) well-paid jobs come with great risk and responsibility. People in these fields have usually showed clear sign since high school, as they need to be well-prepared in university. If you want to change your mind to do these jobs, it's too late. Specialists in particular fields will always be among the 10 most popular jobs.<sup>8</sup>

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<sup>7</sup><https://www.google.com/search?q=Be+your+master!+Nobody+can+deny+that+they+don't+want+their+own+business.+We+all+yearn+to+work+for+ourselves.+Many+young+people+own+their+business+early.+Many+people+have+sufficient+money%2C+while+others+dare+to+invest+and+lose.+Sacrifice+your+savings+and+bu+site%3Ahttp%3A%2F%2Fowl.english.purdue.edu>

<sup>8</sup><https://www.google.com/search?q=Specialists+in+particular+fields+are+another+wellpaid+job.+Not+just+anybody+can+do+this.+You+must+complete+your+study+in+the+specific+field.+These+careers+are+all+about+other+people's+life%2C+be+it+doctor%2C+nurse%2C+lawyer%2C+engineer%2C+pilot.+People's+life+is+o+site%3Ahttp%3A%2F%2Fowl.english.purdue.edu>

12.10. Freelancer is one of the most popular jobs for modern people. They live freely, belong to no boss and work on one project at a time. We initially knew freelancer from fashion field, be it hairdressers, makeup artist or photographer. Later, writers write for many publishers that they can become freelancers. Freelancing goes around in many fields, be it architecture, designer, receptionist, advertiser, cyber salesperson or even fortune tellers. Freelancing has become more and more popular. Though money depends on many things, working without restriction and pressure is their greatest pleasure. In conclusion, according to the study and literature, modern Thai people change their preference, from working in big company to working on what they love and be their own master. According to my observation and surveys answered by seniors from Chulalongkorn, Thammasart, Mahidol, Srinakharinwirot, Chiang Mai and Khon Kaen University, I found out that 75% of new graduates wanted to be their own masters. According to 50 copies of our survey to Thailand's leading universities, new graduates wanted to work independently on their own, prefer planning their work to being hired. This made me happy because I want to tell Thai people that economic growth or decline won't really bother us individually as long as we work hard, endure and focus on our goal, and we will be happy, physically and mentally, and we will grow up. This is my last word of my thesis.

In conclusion, according to the study and literature, modern Thai people change their preference, from working in big company to working on what they love and be their own master. According to my observation and surveys answered by seniors from Chulalongkorn, Thammasart, Mahidol, Srinakharinwirot, Chiang Mai and Khon Kaen University, I found out that 75% of new graduates wanted to be their own masters. According to 50 copies of our survey to Thailand's leading universities, new graduates wanted to work independently on their own, prefer planning their work to being hired. This made me happy because I want to tell Thai people that economic growth or decline won't really bother us individually as long as we work hard, endure and focus on our goal, and we will be happy, physically and mentally, and we will grow up. This is my last word of my thesis.

What does the future of management look like to you? Cast your mind forward a decade or two and ask yourself: How will tomorrow's most successful companies be organized and managed? What new and unorthodox management practices will distinguish the vanguard from the old guard? What will managers in bellwether organizations be doing, or not doing, that would surprise today's business leaders? What will be different about the way companies manage talent, allocate resources, develop strategy, and measure performance?

In other words, can you imagine dramatic changes in the way human effort is mobilized and organized in the years to come? Can you envision radical and far-reaching changes in the way managers manage? Don't be dismayed if the answer is "no." Given how little the practice of management has changed over the past

several decades, it's hardly surprising that most people have a hard time imagining how management might be reinvented in the decades to come. Societies protect themselves from the threat of terrorism without trampling upon civil liberties? How can they loosen the chains of special interest gridlock in order to head off the risks of global climate change? Given these and other similarly vexing challenges, we must dare to hope that the practice of democracy will continue to evolve.

If democracy still mountains to climb, some two-and-a-half thousand years after its birth in ancient Greece, it would be arrogant to assume that after a mere century of progress, modern management has exhausted its own evolutionary potential — just as it would be foolish to assume that a technology that served us so admirably during the 20th century will turn out to be equally well-suited to the demands of the 21st. The fact is, that despite its indisputable accomplishments to date, modern management has bequeathed to us a set of perplexing conundrums, troubling trade-offs that cry out for bold thinking and fresh approaches. And when we look forward, we are confronted by a slew of new problems— predicaments and dilemmas that lay bare the limits of our well-worn management systems and processes

## Chapter 2

### Background and Information

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”. Assumption such as national income specification that can be assumed as closed economics etc is the specification before and after analyzing according to the hypothesis. Therefore, the theory will be able to explain the phenomena and relations of variables to predict how good economic event. So, it depends on the hypothesis of how much it is in accordance with problems and real situations. For one more thing, to find the conclusion to create the theory is the way to indicate relation of economic variables that may be in form of math equation like regressive equation to find the tendency of what will happen. Besides, the average of t-test will be applied as equipment in this study.

#### 2.1 Hypothesis

2.1.1 Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013

2.1.2 Students who graduate in Thailand. A willingness to work in the labor market. To a monthly salary.

The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released. It includes world politics balance like USA with problem about Islam, overlapping territorial claims area between China and Japan, Unemployment issue in USA and Europe, fluctuation of exchange rate and natural disasters. For domestic negative factor, it depends on politics stability especially protest. If it last so long and becomes worse, it will affect economic status and we have to keep an eye on fluctuation of exchange rate that Thai Baht becomes highly rising affecting the export. Natural disasters, lack of labor in some industries and importantly, the problem of increasing capital caused by adjusting wage into 300 Baht/day including the increase of energy price of oil, electricity, transport fee etc.

2.2 Current Information. According to Chapter 1. The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released. It includes world politics balance like USA with problem about Islam,



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Basis of purchasing power, according to the International Monetary Fund (IMF). In 1990 they accounted for less than a third of a much smaller total. From 2003 to 2011 the share of world output provided by the emerging economies grew at more than a percentage point a year (see chart 1). The remarkably rapid growth the world has seen in these two decades marks the biggest economic transformation in modern history. Its like will probably never be seen again. According to a recent study by Arvind Subramanian and Martin Kessler, of the Peterson Institute, a think-tank, from 1960 to the late 1990s just 30% of countries in the developing world for which figures are available managed to increase their output per person faster than

America did, thus achieving what is called “catch-up growth”. That catching up was somewhat lackadaisical: the gap closed at just 1.5% a year. From the late 1990s, however, the tables were turned. The researchers found 73% of developing countries managing to outpace America, and doing so on average by 3.3% a year. Some of this was due to slower growth in America; most was not. The most impressive growth was in four of the biggest emerging economies: Brazil, Russia, India and China, which Jim O’Neill of Goldman Sachs, an investment bank, acronymed into the BRICs in 2001. These economies have grown in different ways and for different reasons. But their size marked them out as special—on purchasing-power terms they were the only \$1 trillion economies outside the OECD, a rich world club—and so did their growth rates (see chart 2). Mr O’Neill reckoned they would, over a decade, become front-rank economies even when measured at market exchange rates, and he was right. Today they are four of the largest ten national economies in the world. The remarkable growth of emerging markets in general and the BRICs in particular transformed the global economy in many ways, some wrenching. Commodity prices soared and the cost of manufactures and labour sank. Global poverty rates tumbled. Gaping economic imbalances fuelled an era of financial vulnerability and laid the groundwork for global crisis. A growing and vastly more accessible pool of labour in emerging economies played a part in both wage stagnation and rising income inequality in rich ones. The shift towards the emerging economies will continue. But its most tumultuous phase seems to have more or less reached its end. Growth rates in all the BRICs have dropped. The nature of their growth is in the process of changing, too, and its new mode will have fewer direct effects on the rest of the world. The likelihood of growth in other emerging economies having an effect in the near future comparable to that of the BRICs in the recent past is low; they do not have the potential for catch-up the BRICs had in the 1990s and 2000s. And the BRICs’ growth has changed the rest of the world economy in ways that will dampen the disruptive effects of any similar surge in the future. The emerging giants will grow larger, and their ranks will swell; but their tread will no longer shake the Earth as once it did. The great return. The BRIC era arrived at the end of a century in which global living standards had diverged remarkably. Towards the end of the 19th century America’s economy overtook China’s to become the largest on the planet. By 1992 China and India—home to 38% of the world’s population—were producing just 7% of the world’s output, while six rich countries which accounted for just 12% of the world’s population produced half of it. In 1890 an average American was about six times better off than the average Chinese or Indian. By the early 1990s he was doing 25 times better. There followed what Mr Subramanian and Mr Kessler call “convergence with a vengeance”. China’s pivot towards liberalisation and global markets came at a propitious time in terms of politics, business and technology. Rich economies were feeling relatively relaxed about globalisation and current-account deficits. Bill Clinton’s America, booming and confident, was little troubled by the growth of Chinese industry or by offshoring jobs to India. And the technology and managerial nous necessary to assemble and

maintain complex supply chains were coming into their own, allowing firms to spread their operations between countries and across oceans. The tumbling costs of shipping and communication sparked what Richard Baldwin, an economist at the Graduate Institute in Geneva, calls globalisation's "second unbundling" (the first was the simple ability to provide consumers in one place with goods from another). As longer supply chains infiltrated and connected places with large and fast-growing working-age populations, enormous quantities of cheap new labour became accessible. According to figures from the McKinsey Global Institute, a think-tank, advanced economies added about 160m non-farm jobs between 1980 and 2010. Emerging economies added 900m.

Riding the whirlwind. The fruits of this cheap labour were huge steps forward in global trade. Merchandise exports soared from 16% of global GDP in the mid-1990s to 27% in 2008. The Chinese share of global exports topped 11%, with trade accounting for more than half of the country's GDP. Mr Subramanian and Mr Kessler see China as the first "mega-trader" to grace the world stage since Britain's imperial heyday. The growth in trade was matched by a growth in demand for commodities as China and the nations supplying it soaked up energy and raw materials such as iron ore, copper and lead (see chart 3). Prices surged, generating a bonanza for the emerging world's commodity producers and contributing to a broad-based boom, to the great benefit both of fellow-BRICs Russia and Brazil and of smaller economies, including many in Africa. From 1993 to 2007 China averaged growth of 10.5% a year. India, with less reliance on trade, managed an average of 6.5%, more than twice America's average growth rate. The two countries' combined share of global output more than doubled to nearly 16%. Global financial imbalances ballooned. From 1999 advanced economies ran a current-account deficit which peaked at nearly 1.2% of rich-world GDP in 2006. Emerging economies' combined current-account surplus peaked in the same year at 4.9% of GDP. Foreign-exchange interventions made the export surge doubly tricky to manage. After the financial crises of the late 1990s many emerging economies began accumulating dollar reserves to protect themselves against being caught short by big foreign-exchange outflows. Building up reserves helped the growing economies to hold exchange rates below the levels they might otherwise attain, keeping exports relatively cheap. China was a particularly enthusiastic reserve accumulator, and now sits atop a \$3.5 trillion hoard, more or less all of it piled up since 2000. All told the BRICs have reserves of about \$4.6 trillion. This reserve accumulation contributed to a global savings glut, and the resulting low interest rates encouraged heavy public and private borrowing in the rich world. Some reckon currency manipulation also repressed consumption in emerging markets, so that their exports to big advanced economies like America were not offset by a corresponding rise in consumption of imports. Daron Acemoglu, David Autor and Brendan Price of the Massachusetts Institute of Technology, David Dorn, of Madrid's Centre for Monetary and Financial Studies, and Gordon Hanson, of the University of California, San Diego, argue that the "sag" in employment growth in

America in the 2000s can be blamed in large part on the country's unreciprocated taste for Chinese imports. Not all the effects of the BRICs' growth were to be felt as promptly; some, for good and ill, will not be experienced in full measure for decades. Bigger economies mean bigger armies. They also mean flourishing universities: in 2030 China may have 50m more science and engineering graduates in its workforce than it did in 2010. And their growth has entailed an historic rise in greenhouse-gas emissions, now a third higher than they were in 1997, as well as heaps of local environmental damage. China is now the world's largest carbon-dioxide emitter; America is the only non-BRIC in the top four. But though the impact of the recent rapid change will be felt far into the future, the change itself is moderating. Various signs suggest that an important inflection point has been reached. The emerging world will continue to grow in economic importance. But the pace at which it does so will slow as the BRICs put the days of their steepest ascent behind them.

After two decades of rapid growth the most populous emerging economies have taken advantage of most of the easiest steps on the ladder to prosperity. An illustration: in 1997 none of the fastest 100 supercomputers in the world was to be found in a BRIC. Now six computers in China grace that list, as do six from other BRICs. And one of them tops it: Tianhe-2, designed and built at the National University of Defence Technology in Changsha, crunches numbers faster than any other device in the world. That is an extraordinary achievement, and the potential for growth as such technology spreads wider is clear. But it is also an indication that the country's growth will not now be as quick as it used to be. Bleeding-edge innovation is harder than catching up. Other countries have impressive growth potential. Goldman Sachs touts a list of the "Next 11" which includes Bangladesh, Indonesia, Mexico, Nigeria and Turkey. But there are various reasons to think that this N11 cannot have an impact on the same scale as that of the BRICs. The first is that these economies are smaller. The N11 has a population of just over 1.3 billion. That is less than half that of the BRICs. The N11 is barely more populous than India, which is the BRIC with the greatest possibility for growth still ahead of it, if only it could reform itself enough to put more of those people to work. The second is that the N11 is richer now than the BRICs were back in the day. Economists reckon that the bigger the gap between a country's output per person and that of the technological leader, the faster the economy is capable of growing. Weighted by population, the average per person output of the N11 is already 14% of that in America. When the BRIC economies began their economic surge their population-weighted output per person was just 7% of America's. It is a measure of the continued potential for growth in India, where population has risen fast, that its figure today is still just 8%. It is not just the N11. The world as a whole has less catch-up potential than it used to. Its most populous countries are no longer all that poor and its poor countries are no longer all that populous. Two decades of BRIC-led growth mean that there are far fewer people earning very little. In 1993 about half the world lived at below 5% of American GDP per person, according to an analysis of IMF figures by The Economist (see

chart 5). In 2012 the equivalent figure was 18% of American GDP per person. The third reason that the performance of the BRICs cannot be repeated is the very success of that performance. The world economy is much larger than it used to be: twice as big in real terms as it was in 1992, according to IMF figures. That means that emerging markets—whether the BRIC economies or the N11 or both—must deliver larger absolute increases in output to generate a marginal economic boost matching that seen in the 1990s and 2000s. The same maths apply to labour markets. New additions to the workforce will henceforward have a harder time disrupting the global economy. The billion jobs that the McKinsey Global Institute sees as having been added to non-farm employment from 1980 to 2010 boosted it by 115%. If the world were to put on another billion jobs from 2010 to 2040 that would represent just a 51% increase in world employment: impressive but much less dramatic.

Making the best of it. The reality may be a good bit less dramatic still. Some developing economies will add hundreds of millions of new workers in coming years. But some of that contribution will be offset by the ageing of populations elsewhere. China's working-age population began shrinking in 2012. India, with more favourable demographics, is struggling to create enough employment; it added no net new jobs between 2004-05 and 2009-10, according to a recent survey. Big demographic booms are brewing elsewhere: Nigeria, for example, may be more populous than America in less than 40 years. But such growth will have its peak impact only decades from now. The way that the world economy reacted to the rise of the BRICs has also made it less prone to further shocks of a similar sort. Markets have responded to soaring commodity demand and prices. Firms and households are saving on inputs; businesses and governments have rushed to develop new resources, as seen in the shale oil-and-gas bonanza now unfolding in North America. Currency adjustments have narrowed deficits. The Chinese yuan has appreciated by roughly 35% against the dollar since 2005. Emerging-world reserve accumulation has diminished along with current-account imbalances. Since 2011 Chinese reserves have been mostly flat. Indeed in recent years reserve outflows have been a problem for some emerging markets. An easing in the stride of the emerging-market giants will be cause for anxiety first and foremost for the residents of those countries, where the growth that has delivered higher living standards has also whetted appetites for more. The transition need not be painful. In China a slower overall growth rate may feel fine to workers if the share of consumption in the economy rises relative to investment. In India, though, the picture is not so pretty. A rising tide may lift all boats; a falling one reveals who has no bathing trunks on. Weaker conditions could place pressure on financial systems in emerging economies about which investors begin to worry. If central banks fail to stem capital outflows then slower growth could give way to outright contraction. Many countries will find that commodities no longer provide a crutch. David Jacks, an economist at Simon Fraser University in British Columbia who studies long-run commodity-price

movements, reckons that prices may have already begun a sustained period of below-trend price growth. Internationally, lower growth could focus leaders on increased co-operation and a new push for liberalisation. The BRIC era took place in the absence of major new trade liberalisation (though China's entry into the World Trade Organisation was an important landmark); with trade growing so healthily anyway, the rewards were harder to appreciate. A slowdown could bring new focus to global trade talks. A deal that addressed non-tariff trade barriers, and especially those on trade in services, could yield big benefits. There is a risk, though, that matters may move in the opposite direction. The rich world is more cautious about globalisation than it was a decade or two ago, and more interested in maintaining its export competitiveness. A century ago the world's last great era of trade integration ended with a war and ushered in a generation of economic nationalism and international conflict. The recent proliferation of regional trade agreements could signal a move towards fractionalisation of the global economy. And slowed growth in the now-large BRICs could lead to the sort of internal tensions that countries can displace by picking external fights. Whether or not the world can build on a remarkable era of growth will depend in large part on whether the new giants tread a path towards greater global co-operation—or stumble, fall and, in the worst case, fight.

## 2.1 Literature

The "Underwater Noise" Future Brief is part of a series of horizon-scanning policy briefs from the "Science for Environment Policy" news alert service. Future Briefs provide an accessible overview of emerging areas of science and technology. The oceans are increasingly exposed to sounds from human activities, such as shipping and the building of foundations for offshore construction projects. What impact do these sounds have on species that inhabit the marine environment? This Future Brief from Science for Environment Policy explores existing research on the ecological effects of underwater sound. Key gaps in our knowledge are also highlighted, and potential strategies for reducing negative impacts on marine species are outlined. The "Underwater Noise" Future Brief is part of a series of horizon-scanning policy briefs from the "Science for Environment Policy" news alert service. Future Briefs provide an accessible overview of emerging areas of science and technology. The oceans are increasingly exposed to sounds from human activities, such as shipping and the building of foundations for offshore construction projects. What impact do these sounds have on species that inhabit the marine environment? This Future Brief from Science for Environment Policy explores existing research on the ecological effects of underwater sound. Key gaps in our knowledge are also highlighted, and potential strategies for reducing negative impacts on marine species are outlined.

2.1.1 The "Earth Observation's Potential for the EU Environment" Future Brief is part of a series of horizon-scanning policy briefs from the "Science for Environment Policy" news alert service. Future Briefs provide an accessible overview of emerging areas of science and technology. Earth observation can provide timely, accurate and continuous information about the state of environment. Space data in combination with in situ data relating to the land, oceans and atmosphere can improve the knowledge and evidence base for decisions in environmental policy making. To read the full Future Brief "Earth Observation's Potential for the EU Environment", please click [here](#). "The Multifunctionality of Green Infrastructure" Indepth Report is part of a new series of special reports from the "Science for Environment Policy" news alert service. Indepth Reports present the latest relevant science for policy issues in the EU. One of the key attractions of Green Infrastructure is its multifunctionality, i.e. its ability to perform several functions on the same spatial area, and this Indepth Report focusses on identifying applied research surrounding the multifunctionality of Green Infrastructure. It considers the different types of functions that Green Infrastructure (GI) seeks to fulfil and looks at the evidence behind its ability to perform these functions. Firstly, it will explore some general issues surrounding the evaluation of GI in terms of defining GI features or elements, identifying comparable costs and benefits, and issues surrounding indicators and multi-level evaluation. Following this general section, the report is divided into sections on four 'types' of GI functions or 'roles':

Protecting ecosystems state and biodiversity

Protecting ecosystem functioning and promoting ecosystem services

Promoting societal well-being and health

2.1.2 Supporting the development of a green economy and sustainable land and water management. It will identify some of the GI features that carry out these functions and their costs and benefits, exemplified by case studies. It will also identify any indicators that could be used to monitor the performance of these roles and highlight areas where indicators need to be developed. To read the full Indepth Report "The Multifunctionality of Green Infrastructure", please click [here](#). Future Brief "Offshore Exploration and Exploitation in the Mediterranean" Since several months, the "Science for Environment Policy" news alert service has a new feature: Future Briefs. These Future Briefs look into emerging areas of research with possible implications for the environment. They give an overview of the state of play, identify current knowledge gaps and indicate potential policy implications. The third one of these Future Briefs, "Offshore Exploration and Exploitation in the Mediterranean", has recently been published. Focusing on oil, gas and mineral exploration as well as renewable energy schemes, the report considers evidence from recent scientific research, including reports following the Deepwater Horizon incident in 2010. To read the full Future Brief "Offshore Exploration and Exploitation in the

Mediterranean", please click here. Future Briefs to come will deal, amongst others, with Innovative Technologies: Hydrogen Production as well as Green.

Behaviour. Research Repository: Free online database of environmental research now available. Science for Environment Policy are pleased to announce the launch of the Research Repository, an online bank of research results for evidence-based policy making. The studies featured in the Repository have been carefully selected for policy relevance and quality, and include those that have appeared in the Science for Environment Policy News Alert. The studies are finely categorised according to a wide range of policy themes and the resource is constantly evolving and expanding to accommodate new research.

2.1.3 Future Brief "Biodiversity and Health" Since a few months, the "Science for Environment Policy" news alert service has a new feature: Future Briefs. These Future Briefs look into emerging areas of research with possible implications for the environment. They give an overview of the state of play, identify current knowledge gaps and indicate potential policy implications. The second one of these Future Briefs, "Biodiversity and Health", has recently been published. It explores the latest research into the benefits of biodiversity for human health, with policy options for a careful management of ecosystems in order to conserve biodiversity and hence protect human health in the future. To read the full Future Brief "Biodiversity and Health" and find out about the links between the two, which are often complex, please click here. Future Briefs to come will deal, amongst others, with Innovative Technologies: Hydrogen Production as well as Shale gas. Periodic and final reports of EU-funded research projects can now be found on CORDIS.

CORDIS, the European Commission's Community Research and Development Information Service, is now making periodic and final reports of EU-funded research projects available on-line. You can look for these reports via the following links: Click on "project results" under the respective Framework Programme, "new search" and then indicate the project acronym you are looking for in the search field. The report(s) currently available for this particular project will be displayed. On this page, you have a bigger selection of different fields/parameters like the Framework Programme Acronyms. If you, for instance, select "FP7-Environment", you get a list with all projects funded under this programme with exploitable results that have been uploaded so far. Future Brief "Plastic waste: redesign and biodegradability"

2.1.4 The "Science for Environment Policy" news alert service has a new feature: Future Briefs. These Future Briefs look into emerging areas of research with possible implications for the environment. They give an overview of the state of play, identify current knowledge gaps and indicate potential policy implications. The first one of these Future Briefs, "Plastic waste: redesign and biodegradability", has just been published. It explores the latest research into the redesign of plastics and developments in biodegradable plastics, with policy options to ensure that plastic's



benefits are maximised and its risks are minimised. The redesign of plastics is already happening and bioplastics, which are made or derived from natural, renewable sources, such as plants and bacteria, are already on the market. They are rarely used and make up just 0.1-0.2 per cent of plastic used in the EU. Greater use of bioplastics could help reduce our reliance on petroleum, which is used to make conventional plastic. However, a question mark remains over the exact environmental credentials of bioplastics. For example, there is debate as to whether they fully degrade in the natural environment, and not just in the laboratory settings where they have been tested. There is also disagreement on their life-cycle impacts. If more crops are grown for plastics, this may exacerbate existing environmental issues with agriculture, such as fertiliser polluted water. Another solution to the problem of plastic waste is to change product design so that less plastic is used and plastic components can be more easily reused and recycled. This would address the target priority in the EU's waste hierarchy – prevention. The waste hierarchy favours (in this order) - prevention, re-use, recycle, recovery (e.g. energy recovery) and disposal. However, eco-design research lacks evidence on design for re-use and recycling. 'Plastic Waste: redesign and biodegradability' explores a wide range of research results, statistics and case studies to help policy makers develop plastic waste and design policies. In order to read the full Future Brief "Plastic waste: redesign and biodegradability" please click here. Future Briefs to come will deal, amongst others, with Biodiversity & Health; Impact of Chemical Mixture Exposure and Shale gas. The PEGASO ('People for ecosystem based governance in assessing sustainable development of ocean and coast') project was funded with EUR 6.99 million under the Environment Theme of the Seventh Framework Programme (FP7). Over the next 4 years, more than 60 researchers from 15 countries will work together to improve the coastal management of the Mediterranean Sea. For the first time under the one research agenda, the EU-funded project will undertake an all-inclusive study of the sea, its coasts and marine ecosystems in a bid to build consensus on the future governance and prosperity of the ailing basin. Coordinated by the Universitat Autònoma de Barcelona (UAB) in Spain, PEGASO will link science and decision-making processes relating to the way the coast of the Mediterranean Sea is managed at regional, national and local levels. A significant part of the project will entail the creation of an 'atlas' of the Mediterranean Sea - a standardised and shared data platform based on a clear and concise organisation of existing scientific data.

2.1.59 The objective of the event is to address the social, environmental and economic challenges for European manufacturing and establish a dialogue with scientists, decision makers and opinion leaders on the contribution which research can bring to transforming European industry from being resource-intensive to knowledge-intensive. During the event, project officers will present the new calls

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<sup>9</sup><http://www.uab.es/uabdivulga/img/PEGASO.pdf>

launched on 20 July 2010 under the 'Nanosciences, Nanotechnologies, Materials and new Production Technologies' (NMP) theme of the Seventh Framework Programme. Attendees will also have the opportunity to network, present their ideas and find potential research partners. In addition, an exhibition will showcase the latest trends and developments in the domain of industrial technologies and visits will be organised to innovative local companies. Catalogue of FP7 projects 2007 - 2010 + info on published environment calls for proposals: A catalogue of FP7 projects is now available. This 325-page document includes all the projects which have so far been funded under the Environment (including climate change) theme in FP7 (2007-2010), presenting them according to key research areas. 51 new FP7 calls for proposals have been published on 20 July. 8 calls are open under the Environment Theme and we would like to draw your attention specifically to call FP7-ENV-2011. For more information about all the new calls under all Specific Programmes please [click here](#). The "Science for Environment Policy" news alert service is celebrating its 200th issue. Please see below the foreword to this 200th issue from the Commissioner for the Environment, Janez Potočnik: "Environment policy needs to be based on state-of-the-art science. Yet as science keeps evolving, policy-makers have a tough time keeping abreast of the most recent relevant scientific results. The Science for Environment Policy News Alert service provides a valuable and highly appreciated service for EU and national environment policy makers. And its readership continues to grow. It presents the latest policy-relevant scientific research in a language that is clear, simple and concise, in areas as complex as nature and biodiversity, water, waste, forests and air quality. It is helping to establish a shared knowledge base and the much needed dialogue between environment policy and research. Both of which are a priority for me. This 200th edition represents an important milestone. Science opens minds and motivates, while highlighting those emerging issues that may affect our environment in the future. As a reader of 'Science for Environment Policy', I invite you to recommend it to your contacts and networks. Why not send the editor new findings that you think should be disseminated more widely? By doing this, you will be helping the European Commission to build the scientific evidence-base needed to make a better environment." Did you know that 97 % of respondents to the recently carried out survey amongst subscribers to the "Science for Environment Policy" news alert service claimed to find the service useful (including 38 % who considered it very useful)? The results of both the surveys, i.e. amongst subscribers and amongst potential subscribers, are now available. The surveys were undertaken by an independent evaluator, The Evaluation Partnership, and revealed a high degree of satisfaction with the service which now counts more than 12.000 subscribers.

Other interesting findings include that the vast majority of respondents found the news alert to keep them up to date with the latest environment policy relevant scientific research (93 %), that it provides useful summaries of high quality scientific research (92 %) and that the news alert makes it easier to understand what is going

on in environmental research (83 %). The European Metrology Research Programme (EMRP) is jointly supported by the European Commission and the participating countries within the European Association of National Metrology Institutes (EURAMET e.V.). The recently launched EMRP has a specific "metrology for environment" call currently open. This call envisages to define 20 research topics resulting in 13 research projects, each with an average core budget of 3.2 million € to be funded. The main target of the call is the community of national metrology institutions and their designated institutions, but some limited participation from outside this community is foreseen as well. The scope of this call is described here. The next "metrology for environment" call is foreseen for 2013. DG Environment's "Science for Environment Policy" news alert service covered some 50 EU-funded research projects in its weekly news alerts between December 2008 and November 2009. These research projects are mostly from Framework Programmes 5 and 6 as the majority of the running FP7 projects have not yet finished. They cover the full range of environmental topics. In this list, you will find information like the project's acronym, its full title, the framework programme under which it was funded, its website as well as the link to the article as published in DG ENV's news alert service. The Directorate-General for Environment of the European Commission is carrying out an evaluation of the "Science for Environment Policy" news alert service. The Commission will use the results of the evaluation to improve the news alert and provide readers with the best service possible. We would therefore be very grateful if you could spare 10 minutes to take part in this survey, which forms a major part of the evaluation. Getting a better idea of your needs will help the European Commission tailor the news alert for you.

#### 2.1.5 10 Survey for people who have already subscribed

If you are already a subscriber and you can take part, please click the link below. All results of this survey will remain confidential and will not be used for purposes other than this evaluation. Survey for potential subscribers. In addition, the news alert is trying to increase its appeal amongst people that are not already subscribed. To better understand what kind of service these people need, we are also running a survey for potential subscribers. If you are not yet or no longer a subscriber, we would be very grateful if you could complete this very short survey by using the following link. The catalogue of research projects suggested for funding under the call for proposals for the Environment Theme FP7-ENV-2009-1 is available now. Please note that this catalogue also includes proposals suggested for funding under the FP7- NMP-ENV-2009-2 call.

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<sup>10</sup> Hans Wolfgang Singer(2012), Editorial: The Golden Age of the Keynesian Consensus-The Pendulum Swings Back, 25 World Dev. 293 .

### 2.1.6 . EU Research for the Environment

Editorial :On 30 July 2009 the FP7 'Cooperation' Work Programme 2010 and related Calls for proposals were published with around 60 research topics under the Environment (including climate change) Theme. For the fourth time during FP7, DG Research launched a major call open for participants from Member States, Associated countries, International Cooperation Partner Countries, and other countries to submit proposals in areas such as climate change, environment and health, biodiversity, environmental technologies and earth observation, among others. A budget of 213 million € has been allocated to these calls from the Environment Theme. One major novelty this year is the many cross-thematic calls which have been launched to address topical socio-economic challenges. In focus: the Environment Calls at a glance. The Environment Theme covers five different calls under the 2010 Work Programme: Main Environment Call (FP-ENV-2010 and FP-ERANET-2010-RTD); € 175 M, Deadline for proposals: 5 January 2010 . The Ocean of Tomorrow (FP7-OCEAN-2010); € 34 M, of which 10.5 from Environment Theme; Deadline: 14 January 2010 . Africa Call (FP7-AFRICA-2010); € 63 M, of which 17.5 from Environment Theme; Deadline: 14 January 2010 . Green Cars (FP7-2010-GC-ELECTROCHEMICAL-STORAGE); € 25 M, of which 5 from Environment Theme; Deadline: 14 January 2010 . Energy-Efficient Buildings (FP7-2010-NMP-ENV-ENERGY-ICT-EeB); €65 M, of which 5 from Environment Theme; Deadline: 3 November 2009 . Info Days will be held in Brussels on 16-18 September on the first three calls (see below), whereas Info Days on the last two calls took place in July.

For your agenda. The European Commission is organising Info Days on the recently published calls for proposals of FP7 in Brussels on 16 - 18 September. The Info Days are meant for everyone interested in the research opportunities offered by the Calls FP7 OCEAN-2010, FP7-ENV-2010 and FP7-AFRICA-2010. That means researchers and research institutions, universities, industry, small and medium size enterprises, civil society organizations, other non-state actors, and National Contact Points. Excellence in marine and maritime research, and in particular improved integration between all the relevant scientific disciplines, are needed to address complex sea-related issues in the framework of the EU maritime policy. This is an essential objective of the Communication "A European Strategy for Marine and Maritime Research" (COM (2008) 534), adopted in September 2008, which suggested, among other actions, to launch joint calls under FP7 in 2009-2010 on major research topics requiring a cross-thematic approach. The "Ocean of Tomorrow" Call is the first Commission initiative to implement this commitment.

The objective of the call is to build the knowledge base for a sustainable growth of sea-based activities. It will do this in two ways: by improving understanding of marine ecosystems' response to a combination of natural and anthropogenic factors, and by providing a scientific foundation for feasible, sustainable management measures supporting policies and related technologies. The aim of the

call is to continue supporting the main environmental policy and S&T drivers in the area of climate and environmental change, their consequences and the link to other sectors such as energy, transport, agriculture, etc. Furthermore, the goal is to address in detail some new policy drivers such as the development of a post-2012 climate agreement, the Adaptation White Paper, the Communications on prevention and disaster risk reduction, the European Economic Recovery Plan, the Energy-Climate Package as well as the Renewed Lisbon Agenda by taking into account the Strategic Agenda of the Community Lisbon Programme (CLP) (2008-2010). Here, particular emphasis will be put on the '10 key objectives' including sustainable consumption and production, renewable energies and low-carbon and resource-efficient products in order to enhance the development and uptake of environmentally friendly technologies and services.

2.1.7 In the current context of economic insecurity and the emerging and increasing competition for natural resources and environmental services, the aim of the WP2010 is to address 'Environmental safety and welfare' as an overarching theme for all activities across the work programme 2010. The objective would be, through research, to contribute to assessing, reducing and preventing tensions and conflicts related to the depletion of natural resources and environmental services which are arising due to rapid environmental changes and/or natural and man-made hazards. Conference Centre Albert Borschette (CCAB), rue Froissart 36, Brussels

A global promise to ease hunger for millions has been undermined by financial turmoil and climate change. Meanwhile, fears about global water and food security continue to grow, as does public concern for the health of populations in developing countries. In this context, the publication of the Africa call from the 7th Research Framework Programme represents a great opportunity for strengthening Africa's base in research areas addressing these complex issues. The EU-AFRICA Strategic Partnership has paved the way to this call, implemented jointly by the Themes: 'Health', 'Food, Agriculture and Fisheries, and Biotechnology' and 'Environment (including climate change)', which will fund projects aimed at enhancing African socio-economic development and capacity building. The call is structured around the two major areas "Water and Food Security " and "Better Health for Africa". It has a holistic approach involving various scientific and technological research fields, such as food, agriculture, health, land and water resources, including their interaction with climate change and integrating broader socio-economic factors such as migration and resettlement, urbanisation, health care systems and programme interventions. Research activities are intended to strengthen local capacities. Achieving the expected impact means that the involvement of local stakeholders and regional actors is of paramount importance. Funded projects will provide innovative management, governance tools and technologies suitable for the relevant authorities and stakeholders, empowering them to reduce poverty, increase food security and enhance public health. Further

expected benefits are related to academic training and the setting up of health research networks, efficient water management and the protection of natural ecosystems in Africa.

2.1.8 In order to continue the dialogue between Europe, Africa and EECA on networking and cooperation, an International Workshop is organised in Vienna in mid-September. In the frame of the FP6 Project INT-ER-LINK, the Workshop aims to disseminate the project results and to facilitate networking with R&D and development cooperation players from Member States, Associated Candidate Countries, African and EECA Countries with focus on water management and sanitation. The second day will be a brokerage event on water research in the EU-FP7. Following the joint Africa-EU strategy (2007) and the cross thematic 'Africa call' - between the Environment, Food and Health Themes - mentioned above, the Brokerage Event in the frame of FP7 Project ENV-NCP-TOGETHER aims to initiate competitive proposals for the ongoing calls of the EU Framework Programme in the field of water management and sanitation and to help lift the barriers for cooperation between Europe and Africa and between research organisations and companies. For further information please visit the <http://www.b2match.com/watervienna09> homepage. Test your knowledge of environmental science and policy in this special quiz, devised for Green Week 2009. A lot of Green Week participants took the challenge. To give you an idea about what it looks like, this is question no. 1:

1. What is the global cost to society of biodiversity decline in terms of lost 'ecosystem services' (for the period 2000-2050)?

- a. 7 billion Euros
- b. 2 trillion Euros

2.1.10 The European Commission DG Research organises a conference on "Sustainable Development: A Challenge for European Research" on 26-28 May 2009, in Brussels. For the preparation of this conference, a call for papers has been published with a deadline for submission on 15 January 2009.

One of the rationales for and purpose of funding R&D on the EU budget is to serve EU policy needs, while strengthening the scientific and technological basis of the European industry and reinforcing its competitiveness. In view of the strong political will expressed by the European Council to engage on a sustainable path and the priority given to climate change and clean energy, European research is bound to contribute to sustainable development. Putting European R&D at the service of sustainable development is also needed from a societal point of view. Indeed, there is rising concern about the relationship between science and society. Today's surveys show that Europeans have become less attracted by science or less confident that science brings solutions. If the level of public funding for research is to be maintained and indeed increased, it must be ensured and demonstrated that

research is bringing value to the citizens, on substantial and tangible issues beyond competitiveness and jobs. Coming close to mid-term of FP7 implementation, this 3-day conference will take stock of the progress made so far and identify ways and means for putting the European research system at the service of sustainable development. With this in mind, the conference will initiate a structured dialogue on how to reform European research to best respond to sustainable development challenges. It will also investigate ways for improving the science-policy link and the relationship between science and society. More information on the conference - programme, speakers, registration, etc. - will be available soon. If you are interested in receiving updates on the conference when they become available, please send an email to [rtd-sd-conference@ec.europa.eu](mailto:rtd-sd-conference@ec.europa.eu).

23 new FP7 calls for proposals for research projects including environmental research were published on 3 September 2008. More information can be found under the following link. Under the Environment theme, 49 topics are open and the deadline for submission of proposals is 8 January 2009 at 17.00. Some of the topics are directly relevant to environmental policy, e.g. the European Coordination Action on Human Biomonitoring. For more information, please have a look at the ENV-2009-1 call page. The European Commission has published a Communication (COM(2008) 468) "Towards joint programming in research: working together to tackle common challenges more effectively". In this Communication, the European Commission has set out its plans for boosting cooperation between national research funding programmes. The new "Joint Programming" scheme is designed to ensure that public research funds are used as efficiently as possible, and help Europe tackle shared problems more effectively. The first Joint Programming Initiative should be launched by 2010.

Bridging the Gap: Responding to environmental change - from words to deeds - 14 - 16 May 2008, Portoroz, Slovenia. In his speech "Policy Perspective on Environmental Research", The European Commissioner for Science and Research, Mr Janez Potočnik, emphasized the need for better links between science and policy, stating that he believes our problems with climate change and biodiversity are serious and urgent so that they need all our attention. For the full text of his speech, please click on this link. Bridging the Gap: Responding to environmental change - from words to deeds - 14 - 16 May 2008, Portoroz, Slovenia. The conference is the main environment event of the Slovenian presidency organised under the patronage of the President of the Republic of Slovenia, Dr Danilo Türk. Participants from the policy, research, business and civil communities will gather in Portoroz, Slovenia from 14 – 16 May to address emerging issues relating to environmental change. You are cordially invited to join this exciting conference which will address five key themes: Following the completion of the evaluations related to the FP7-ENV-2007-1 call, the European Commission has opened negotiations with 72 new projects. The preliminary information presented in the catalogue is based on the proposals'

evaluation results and shall be considered as provisional and subject to potential modifications in the course of projects' negotiations. A draft version of the catalogue destined to provide basic information on the selected projects (including the objectives, partners and resources) is available here. Nanosciences and Nanotechnologies are part of a developing field of science with potential positive impacts for the economy, society and environment. To account for knowledge gaps about the impact of these technologies on human health and the environment as well as issues relating to ethics and the respect of fundamental rights, the European Commission adopted a "Code of Conduct for Responsible Nanosciences and Nanotechnologies Research".

This reserve accumulation contributed to a global savings glut, and the resulting low interest rates encouraged heavy public and private borrowing in the rich world. Some reckon currency manipulation also repressed consumption in emerging markets, so that their exports to big advanced economies like America were not offset by a corresponding rise in consumption of imports. Daron Acemoglu, David Autor and Brendan Price of the Massachusetts Institute of Technology, David Dorn, of Madrid's Centre for Monetary and Financial Studies, and Gordon Hanson, of the University of California, San Diego, argue that the "sag" in employment growth in America in the 2000s can be blamed in large part on the country's unreciprocated taste for Chinese imports. Not all the effects of the BRICs' growth were to be felt as promptly; some, for good and ill, will not be experienced in full measure for decades. Bigger economies mean bigger armies. They also mean flourishing universities: in 2030 China may have 50m more science and engineering graduates in its workforce than it did in 2010. And their growth has entailed an historic rise in greenhouse-gas emissions, now a third higher than they were in 1997, as well as heaps of local environmental damage. China is now the world's largest carbon-dioxide emitter; America is the only non-BRIC in the top four. But though the impact of the recent rapid change will be felt far into the future, the change itself is moderating. Various signs suggest that an important inflection point has been reached. The emerging world will continue to grow in economic importance. But the pace at which it does so will slow as the BRICs put the days of their steepest ascent behind them.

Take a deep breath. The emerging economies' share of output is no longer rising as fast as it did in the 2000s. In 2009 the year-on-year increase in that share was almost one and a half percentage points (see chart 1). Now it is back below one percentage point. This tallies with a striking slowdown in BRIC growth rates. In 2007 China's economy expanded by an eye-popping 14.2%. India managed 10.1% growth, Russia 8.5%, and Brazil 6.1%. The IMF now reckons China will grow by just 7.8% in 2013, India by 5.6%, and Russia and Brazil by 2.5%. Unsurprisingly, this means that the BRIC economies are contributing less to global growth. In 2008 they accounted for two-thirds of world GDP growth. In 2011 they accounted for half of it, in 2012 a bit less than that. The IMF sees them staying at about that level for the



next five years. Goldman Sachs predicts that, based on an analysis of fundamentals, the BRICs share will decline further over the long term. Other emerging markets will pick up some of the slack. Yet those markets are not expected to add enough to prevent a general easing of the pace of world growth. After two decades of rapid growth the most populous emerging economies have taken advantage of most of the easiest steps on the ladder to prosperity. An illustration: in 1997 none of the fastest 100 supercomputers in the world was to be found in a BRIC. Now six computers in China grace that list, as do six from other BRICs. And one of them tops it: Tianhe-2, designed and built at the National University of Defence Technology in Changsha, crunches numbers faster than any other device in the world. That is an extraordinary achievement, and the potential for growth as such technology spreads wider is clear. But it is also an indication that the country's growth will not now be as quick as it used to be. Bleeding-edge innovation is harder than catching up. Other countries have impressive growth potential. Goldman Sachs touts a list of the "Next 11" which includes Bangladesh, Indonesia, Mexico, Nigeria and Turkey. But there are various reasons to think that this N11 cannot have an impact on the same scale as that of the BRICs. The first is that these economies are smaller. The N11 has a population of just over 1.3 billion. That is less than half that of the BRICs. The N11 is barely more populous than India, which is the BRIC with the greatest possibility for growth still ahead of it, if only it could reform itself enough to put more of those people to work. The second is that the N11 is richer now than the BRICs were back in the day. Economists reckon that the bigger the gap between a country's output per person and that of the technological leader, the faster the economy is capable of growing. Weighted by population, the average per person output of the N11 is already 14% of that in America. When the BRIC economies began their economic surge their population-weighted output per person was just 7% of America's. It is a measure of the continued potential for growth in India, where population has risen fast, that its figure today is still just 8%. It is not just the N11. The world as a whole has less catch-up potential than it used to. Its most populous countries are no longer all that poor and its poor countries are no longer all that populous. Two decades of BRIC-led growth mean that there are far fewer people earning very little. In 1993 about half the world lived at below 5% of American GDP per person, according to an analysis of IMF figures by *The Economist* (see chart 5). In 2012 the equivalent figure was 18% of American GDP per person. The third reason that the performance of the BRICs cannot be repeated is the very success of that performance. The world economy is much larger than it used to be: twice as big in real terms as it was in 1992, according to IMF figures. That means that emerging markets—whether the BRIC economies or the N11 or both—must deliver larger absolute increases in output to generate a marginal economic boost matching that seen in the 1990s and 2000s. The same maths apply to labour markets. New additions to the workforce will henceforward have a harder time disrupting the global economy. The billion jobs that the McKinsey Global Institute sees as having been added to non-farm employment from 1980 to 2010 boosted it by 115%. If the world were to put on another billion jobs from 2010 to

2040 that would represent just a 51% increase in world employment: impressive but much less dramatic. Making the best of it

The reality may be a good bit less dramatic still. Some developing economies will add hundreds of millions of new workers in coming years. But some of that contribution will be offset by the ageing of populations elsewhere. China's working-age population began shrinking in 2012. India, with more favourable demographics, is struggling to create enough employment; it added no net new jobs between 2004-05 and 2009-10, according to a recent survey. Big demographic booms are brewing elsewhere: Nigeria, for example, may be more populous than America in less than 40 years. But such growth will have its peak impact only decades from now. The way that the world economy reacted to the rise of the BRICs has also made it less prone to further shocks of a similar sort. Markets have responded to soaring commodity demand and prices. Firms and households are saving on inputs; businesses and governments have rushed to develop new resources, as seen in the shale oil-and-gas bonanza now unfolding in North America. Currency adjustments have narrowed deficits. The Chinese yuan has appreciated by roughly 35% against the dollar since 2005. Emerging-world reserve accumulation has diminished along with current-account imbalances. Since 2011 Chinese reserves have been mostly flat. Indeed in recent years reserve outflows have been a problem for some emerging markets. An easing in the stride of the emerging-market giants will be cause for anxiety first and foremost for the residents of those countries, where the growth that has delivered higher living standards has also whetted appetites for more. The transition need not be painful. In China a slower overall growth rate may feel fine to workers if the share of consumption in the economy rises relative to investment. In India, though, the picture is not so pretty. A rising tide may lift all boats; a falling one reveals who has no bathing trunks on. Weaker conditions could place pressure on financial systems in emerging economies about which investors begin to worry. If central banks fail to stem capital outflows then slower growth could give way to outright contraction. Many countries will find that commodities no longer provide a crutch. David Jacks, an economist at Simon Fraser University in British Columbia who studies long-run commodity-price movements, reckons that prices may have already begun a sustained period of below-trend price growth. Internationally, lower growth could focus leaders on increased co-operation and a new push for liberalisation. The BRIC era took place in the absence of major new trade liberalisation (though China's entry into the World Trade Organisation was an important landmark); with trade growing so healthily anyway, the rewards were harder to appreciate. A slowdown could bring new focus to global trade talks. A deal that addressed non-tariff trade barriers, and especially those on trade in services, could yield big benefits. There is a risk, though, that matters may move in the opposite direction. The rich world is more cautious about globalisation than it was a decade or two ago, and more interested in maintaining its export competitiveness. A century ago the world's last great era of trade integration ended with a war and ushered in a generation of economic

nationalism and international conflict. The recent proliferation of regional trade agreements could signal a move towards fractionalisation of the global economy. And slowed growth in the now-large BRICs could lead to the sort of internal tensions that countries can displace by picking external fights. Whether or not the world can build on a remarkable era of growth will depend in large part on whether the new giants tread a path towards greater global co-operation—or stumble, fall and, in the worst case, fight.

Monika I. Winn, Centre for Social and Sustainable Innovation, Peter B. Gustavson School of Business, University of Victoria, PO Box 1700 STN CSC, Victoria, British Columbia, Canada V8W 2Y2. Whether to secure critical resource inputs or responding to demands ranging from local communities to international stakeholders, leading multinational companies increasingly engage in ecosystem management by developing operations models with biodiversity, ecosystem conservation, and ecosystem restoration in mind—often in partnership with international conservation organizations. While promising to infuse business strategy with knowledge from natural science, specifically ecology, the emerging practice appears well ahead of research in this area. This article aims to encourage research into how organizations can manage their relationship with the natural environment so as not to destroy the very life-supporting foundations provided by nature. Bridging knowledge domains, the article introduces key concepts from ecology and social ecology to organization and management studies—ecosystems, biodiversity, ecosystem services, and ecological resilience. We illustrate these concepts with advances in ecosystems management and conclude with suggestions for future research in sustainability management, organization theory, and strategic management.

## 2.Related literature.<sup>11</sup>

Surachai,Corporate Thesis Chulalongorn University has conducted research that. Social Responsibility and Shareholder Reaction: The Environmental Awareness of Investors. This study examines whether shareholders are sensitive to corporations' environmental footprint. Specifically, I conduct an event study around the announcement of corporate news related to environment for all US publicly traded companies from 1980 to 2009. In keeping with the view that environmental corporate social responsibility (CSR) generates new and competitive resources for firms, I find that companies reported to behave responsibly toward the environment experience a significant stock price increase, whereas firms that behave irresponsibly face a significant decrease. Extending this view of “environment-as-a-resource,” I posit that the value of environmental CSR depends on external and internal moderators. First,

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<sup>11</sup> Surachi Dechkajohnpim Thesis Chulalongorn University has conducted research that.

I argue that external pressure to behave responsibly towards the environment—which has increased dramatically over recent decades—exacerbates the punishment for eco-harmful behavior and reduces the reward for eco-friendly initiatives. This argument is supported by the data: over time, the negative stock market reaction to eco-harmful behavior has increased, while the positive reaction to eco-friendly initiatives has decreased. Second, I argue that environmental CSR is a resource with decreasing marginal returns and insurance-like features. In keeping with this view, I find that the positive (negative) stock market reaction to eco-friendly (-harmful) events is smaller for companies with higher levels of environmental CSR.

Kitti P Thesis 12 Chulalongorn University has conducted research that..Toward a Theory of Sustainability Management: Uncovering and Integrating the Nearly Obvious. The continuing evolution and increasing salience of the concept and practice of sustainability among individuals, organizations, and societies worldwide appears to warrant the development of conceptual approaches to theories of sustainability management for application to management research, education, and practice. While other management theories have been employed by many management scholars to help explain the need for and advancement of sustainability management, none of those theories appear to have the unique features, benefits, opportunities, challenges, or orientations to assist individuals, organizations, and societies to move toward sustainability as much and as soon as appears necessary. However, since the consideration of theories of sustainability management is relatively new for most management scholars, the authors hope this article begins a dialogue among those stakeholders to better describe, develop, and apply this and related theories of sustainability management as significantly, effectively, and urgently as possible.

Kittinant P.Strategic 13 Thesis Chulalongorn University has conducted research that.Alliances for Environmental Improvements .This article articulates a conceptual framework characterizing strategic alliances for environmental improvements. Drawing on the integrative perspective of the resource-based view of the firm and institutional theory, this study examines firms' varied motivation to form strategic alliances for environmental issues and suggests that these alliances are typically either competency- or legitimacy-oriented. The author characterizes the structural configurations of these alliance types from alliance learning, partner diversity, and governance structure dimensions. These variances in structural configurations explain why competency-oriented alliances, characterized by exploration learning, diverse partners, and nonequity structure, may facilitate firms to pursue more proactive environmental strategies. This conceptual framework is

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<sup>12</sup> [www.chola.ac.th](http://www.chola.ac.th)

<sup>13</sup> Kittinant Phitsuwan Thesis Chulalongorn University has conducted research that.

supported empirically by a sample of 74 firms that participated in 146 environmental alliances in the United States from 1991 to 2007.

Chula J : A New Future for Business? Rethinking Management Theory and Business Strategy. In this introductory article, we discuss the need for a rethinking of the theoretical foundations of management and the practice of business strategy in view of a range of social, environmental and ethical challenges that highlight the limits of 'business as usual'. Calls for a reconsideration of current approaches have come to the fore in the fields of management, accounting, marketing and finance and we briefly review them here. We then introduce the four papers included in this special issue, each of which answers previously unechoed calls from different field of business research. We highlight how each paper contributes to novel perspectives on a future for business - perspectives that more adequately reflect the challenges faced today by both the private sector and society at large. Areas for further research are indicated as well.

2.1 "14Growth" implies a quantitative changes like increase of size, but may not bring any functional improvement. While "development" implies qualitative changes in form or structure which results to improvement of functioning. In relation to economics, "Economic growth" refers to the gradual increase of GDP or real output of goods and services in the country, while "Economic development" are the changes in income, savings, and investment with progressive changes to socio-economic structure of the country. Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product). Economic development is a normative concept i.e. it applies in the context of people's sense of morality (right and wrong, good and bad). The definition of economic development given by Michael Todaro is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. The most accurate method of measuring development is the Human Development Index which takes into account the literacy rates & life expectancy which affect productivity and could lead to Economic Growth. It also leads to the creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment .It implies an increase in the per capita income of every citizen. Economic Growth does not take into account the size of the informal economy. The informal economy is also known as the black economy which is unrecorded economic activity. Development alleviates people from low standards of living into proper employment with suitable shelter. Economic

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<sup>14</sup> [www.nida.ac.th](http://www.nida.ac.th)

Growth does not take into account the depletion of natural resources which might lead to pollution, congestion & disease. Development however is concerned with sustainability which means meeting the needs of the present without compromising future needs. These environmental effects are becoming more of a problem for Governments now that the pressure has increased on them due to Global warming. sum of all industrial production, work, sales, business and service sector activity in the country. Usually this is calculated over a period of one year, but there may be analysis of short and long term trends to be used for economic forecast. Gross Domestic Product can also be calculated on a per capita (or per person) basis to give a relative example of the economic development of nations.

GNP Definition : GNP stands for Gross National Product. In general terms, GNP means the total of all business production and service sector industry in a country plus its gain on overseas investment. In some cases GNP will also be calculated by subtracting the capital gains of foreign nationals or companies earned domestically. Through GNP an accurate portrait of a nation's yearly economy can be analyzed and studied for trends since GNP calculates the total income of all the nationals of a country. This gives a far more realistic picture than the income of foreign nationals in the country as it is more reliable and permanent in nature. Gross National Product can also be calculated on a per capita basis to demonstrate the consumer buying power of an individual from a particular country, and an estimate of average wealth, wages, and ownership distribution in a society. Edit How GNP is calculated There are various ways of calculating GNP numbers. The expenditure approach determines aggregate demand, or Gross National Expenditure, by summing consumption, investment, government expenditure and net exports. The income approach and the closely related output approach sum wages, rents, [[interest, profits, non income charges, and net foreign factor income earned. The three methods yield the same result because total expenditures on goods and services (GNE) is equal to the value of goods and services produced (GNP) which is equal to the total income paid to the factors that produced the goods and services (GNI) Expenditure Approach to calculating GNP:  $GNP = GDP + NR$  (Net income from assets abroad (Net Income Receipts)) Applications of GDP and GNP numbers Policy Tools. Both fiscal and monetary policy can be either expansionary or contractionary. Policy measures taken to increase GDP and economic growth are called expansionary. Measures taken to rein in an "overheated" economy (usually when inflation is too high) are called contractionary measures. edit Fiscal policy

The legislative and executive branches of government control fiscal policy. In the United States, this is the President's administration (mainly the Treasury Secretary) and the Congress that passes laws. edit Procyclical and Countercyclical Fiscal Policy. In an article for VOX on the tax cuts vs. stimulus debate, Jeffrey Frankel, Economics professor at Harvard University has said that sensible fiscal policy is countercyclical. When an economy is in a boom, the government should

run a surplus; other times, when in recession, it should run a deficit. There is no reason to follow a pro-cyclical fiscal policy. A procyclical fiscal policy piles on the spending and tax cuts on top of booms, but reduces spending and raises taxes in response to downturns. Budgetary profligacy during expansion; austerity in recessions. Procyclical fiscal policy is destabilising, because it worsens the dangers of overheating, inflation, and asset bubbles during the booms and exacerbates the losses in output and employment during the recessions. In other words, a procyclical fiscal policy magnifies the severity of the business cycle.

**Edit Monetary policy** Monetary policy is controlled by the Central Bank. In the U.S., this is the Federal Reserve. The Fed chairman is appointed by the government and there is an oversight committee in Congress for the Fed. But the organization is largely independent and is free to take any measures to meet its dual mandate: stable prices and low unemployment.

Examples of monetary policy tools include:

-Interest Rates: Interest rate is the cost of borrowing or, essentially, the price of money. By manipulating interest rates, the central bank can make it easier or harder to borrow money. When money is cheap, there is more borrowing and more economic activity. For example, businesses find that projects that are not viable if they have to borrow money at 5% are viable when the rate is only 2%. Lower rates also disincentivize saving and induce people to spend their money rather than save it because they get so little return on their savings.

-Reserve requirement: Banks are required to hold a certain percentage (cash reserve ratio, or CRR) of their deposits in reserve in order to ensure that they always have enough cash to meet withdrawal requests of their depositors. Not all depositors are likely to withdraw their money simultaneously. So the CRR is usually around 10%, which means banks are free to lend the remaining 90%. By changing the CRR requirement for banks, the Fed can control the amount of lending in the economy, and therefore the money supply.

-Currency peg: Weak economies can decide to peg their currency against a stronger currency. This tool is usually used in cases of runaway inflation when other means to control it are not working.

-Open market operations: The Fed can create money out of thin air and inject it into the economy by buying government bonds (e.g. treasuries). This raises the level of government debt, increases the money supply and devalues the currency causing inflation. However, the resulting inflation supports asset prices such as real estate and stocks.

Kathleen Duke : Top Commenter I guess my answer to liberarians would be: I'd rather have an imperfect government pick winners a losers than have that choice

done by an angry, armed mob of displaced workers and screwed stockholders. Because fantasizing that the "invisible hand" is going to do anything to keep society intact while it performs its magic is purest fantasy. The invisible hand works a little too slowly for people with pitchforks.

## 2.2 Contextual

2.2.1 Economics is Economics is the study of how people choose to use resources. Resources include the time and talent people have available, the land, buildings, equipment, and other tools on hand, and the knowledge of how to combine them to create useful products and services. Important choices involve how much time to devote to work, to school, and to leisure, how many dollars to spend and how many to save, how to combine resources to produce goods and services, and how to vote and shape the level of taxes and the role of government. Often, people appear to use their resources to improve their well-being. Well-being includes the satisfaction people gain from the products and services they choose to consume, from their time spent in leisure and with family and community as well as in jobs, and the security and services provided by effective governments. Sometimes, however, people appear to use their resources in ways that don't improve their well-being. Asnri SoukIn short, economics includes the study of labor, land, and investments, of money, income, and production, and of taxes and government expenditures. Economists seek to measure well-being, to learn how well-being may increase over time, and to evaluate the well-being of the rich and the poor. The most famous book in economics is the *Inquiry into the Nature and Causes of The Wealth of Nations* written by Adam Smith, and published in 1776 in Scotland. Although the behavior of individuals is important, economics also addresses the collective behavior of businesses and industries, governments and countries, and the globe as a whole. Microeconomics starts by thinking about how individuals make decisions. Macroeconomics considers aggregate outcomes. The two points of view are essential in understanding most economic phenomena.

2.2.2 Development economics is a branch of economics which deals with economic aspects of the development process in low-income countries. Its focus is not only on methods of promoting economic development, economic growth and structural change but also on improving the potential for the mass of the population, for example, through health and education and workplace conditions, whether through public or private channels. Development economics involves the creation of theories and methods that aid in the determination of policies and practices and can be implemented at either the domestic or international level. This may involve restructuring market incentives or using mathematical methods like inter-temporal optimization for project analysis, or it may involve a mixture of quantitative and qualitative methods. Unlike in many other fields of economics, approaches in



development economics may incorporate social and political factors to devise particular plans. Also unlike many other fields of economics, there is "no consensus" on what students should know. Different approaches may consider the factors that contribute to economic convergence or non-convergence across households, regions, and countries.

2.2.3 Economic nationalism : Following mercantilism was the related theory of economic nationalism, promulgated in the 19th century related to the development and industrialization of the United States and Germany, notably in the policies of the American System in America and the Zollverein (customs union) in Germany. A significant difference from mercantilism was the de-emphasis on colonies, in favor of a focus on domestic production. The names most associated with 19th-century economic nationalism are the American Alexander Hamilton, the German-American Friedrich List, and the American Henry Clay. Hamilton's 1791 Report on Manufactures, his magnum opus, is the founding text of the American System, and drew from the mercantilist economies of Britain under Elizabeth I and France under Colbert. List's 1841 *Das Nationale System der Politischen Ökonomie* (translated into English as *The National System of Political Economy*), which emphasized stages of growth, proved influential in the US and Germany, and nationalist policies were pursued by politician Henry Clay, and later by Abraham Lincoln, under the influence of economist Henry Charles Carey. Forms of economic nationalism and neomercantilism have also been key in Japan's development in the 19th and 20th centuries, and the more recent development of the Four Asian Tigers (Hong Kong, South Korea, Taiwan, and Singapore), and, most significantly, China.

### 2.2.3 Economic Development and its Impact on Ethnic Conflict

Increasingly, attention is being drawn to the role of economics in spawning or cultivating ethnic conflict. Critics of earlier development theories, mentioned above, point out that "ethnicity" and ethnic conflict cannot be treated as exogenous variables.[29] There is a body of literature which discusses how economic growth and development, particularly in the context of a globalizing world characterized by free trade, appears to be leading to the extinction and homogenization of languages.[30] Manuel Castells asserts that the "widespread destructuring of organizations, delegitimation of institutions, fading away of major social movements, and ephemeral cultural expressions" which characterize globalization lead to a renewed search for meaning; one that is based on identity rather than on practices.[31] Barber and Lewis argue that culturally-based movements of resistance have emerged as a reaction to the threat of modernization (perceived or actual) and neoliberal development. On a different note, Chua suggests that ethnic conflict often results from the envy of the majority toward a wealthy minority which has benefited from trade in a neoliberal world.[34] She argues that conflict is likely to erupt through political manipulation and the "vilification" of the minority.[35] Prasch points out that, as economic growth often occurs in tandem with increased inequality, ethnic or

religious organizations may be seen as both assistance and an outlet for the disadvantaged.[36] However, empirical research by Piazza argues that economics and unequal development have little to do with social unrest in the form of terrorism.[37] Rather, “more diverse societies, in terms of ethnic and religious demography, and political systems with large, complex, multiparty systems were more likely to experience terrorism than were more homogeneous states with few or no parties at the national level”.

#### 2.2.4 Growth indicator controversy

Per capita Gross Domestic Product (GDP per head) is used by many developmental economists as an approximation of general national well-being. However, these measures are criticized as not measuring economic growth well enough, especially in countries where there is much economic activity that is not part of measured financial transactions (such as housekeeping and self-homebuilding), or where funding is not available for accurate measurements to be made publicly available for other economists to use in their studies (including private and institutional fraud, in some countries). Even though per-capita GDP as measured can make economic well-being appear smaller than it really is in some developing countries, the discrepancy could be still bigger in a developed country where people may perform outside of financial transactions an even higher-value service than housekeeping or homebuilding as gifts or in their own households, such as counseling, lifestyle coaching, a more valuable home décor service, and time management. Even free choice can be considered to add value to lifestyles without necessarily increasing the financial transaction amounts. More recent theories of Human Development have begun to see beyond purely financial measures of development, for example with measures such as medical care available, education, equality, and political freedom. One measure used is the Genuine Progress Indicator, which relates strongly to theories of distributive justice. Actual knowledge about what creates growth is largely unproven; however recent advances in econometrics and more accurate measurements in many countries is creating new knowledge by compensating for the effects of variables to determine probable causes out of merely correlational statistics. Demographic economics or population economics is the application of economic .

#### 2.3. Problem form chapter I

It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation’s level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys Thailand.

Studying the way to live with sufficiency and have balance income as the sufficiency economy of His Majesty the King Phubhipol who has tried to find the way of survival

among the economic crisis. That is using consciousness, think carefully and do carefully and that will make use earn the living or we can buy or share things. But the heart of sufficiency economy mainly focuses on helping and developing oneself to make an income and rely on less external factor such as debt. Physical and mental problem are the great problems especially in the capital of Thailand. Stress becomes the major problem of capital's society. To solve such problem is like the proverb "God helps those who help themselves" like the example of 5 entrepreneurs who are successful that will be mentioned in this study. Microeconomics is economics in sub-type of economic system consisting of household and business unit such as studying consumer's behavior and production unit's behavior which is the consideration of economic system's sub-type and it is related to how to allocate resource of demand and supply and how to set the price in markets etc. Macroeconomics is study economic in aggregate of every business unit such as studying about national income, nation's employment, finance and banking, government's finance, international trade and finance as well as economic development that are overall activities of the nation.

2.3.1 Empirical Approach : It is the way to study by observing from economic phenomena such as looking from the tendency in the past and further prediction, this method has no certain principle (2).

2.3.2 Analytical Approach : It is the study to find the answer of analytical reason by starting from presumption or certain specification and finding the answer that is clearer than the first approach.

#### 2.3.4 Current Information

The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released.

It includes world politics balance like USA with problem about Islam, overlapping territorial claims area between China and Japan, Unemployment issue in USA and Europe, fluctuation of exchange rate and natural disasters.

For domestic negative factor, it depends on politics stability especially protest. If it last so long and becomes worse, it will affect economic status and we have to keep an eye on fluctuation of exchange rate that Thai Baht becomes highly rising affecting the export. Natural disasters, lack of labor in some industries and importantly, the problem of increasing capital caused by adjusting wage into 300 Baht/day including the increase of energy price of oil, electricity, transport fee etc.

"Thai economy in next year still has high risk; the government must take action to use financial policy to motivate the economy. This includes using budget deficit for 300,000 million Baht, using loan act 350,000 million Baht to handle with problem of flood. Everything must be done in first half of year 2013 balancing interest rate suitably by predicting that the interest will decrease or be balanced for 2.5-3.25%. And it is necessary to focus on increasing income and decrease cost of living for people to rouse purchasing power such as 300-Baht wage, 15,000-Baht salary for undergraduate, rice pawn. If the government can do it quickly, it's believed that in 12013, the government will grow up to 4.5% with the frame 4-5%

Furthermore, the forecast center also estimates that the export in 2013 will have value \$ 243,000 million increasing 7.4% from this year with predicted growth 3.5% which costs \$226,000. The import that cost \$241,000 USD increases 10.1% from 2012 with predicted value \$ 219,000 USD. It is balance at \$2,331 million USD, balance on current account runs deficit for \$5,089 million USD, rate of inflation is 3.58%, and rate of exchange is 30 Baht / 1 USD. For tourism, it's expected that there will be 22 million tourists visiting Thailand increasing 7.5-8% with income 996,000 million Baht or maybe it reaches 1 trillion Baht increasing 19-19.5%. the factors that will dive Thai Economy to increasingly expand comes from the expansion of domestic economy from high need such as ICT businesses that if they already have certificate of 3G, it will grow not less than 30%. For construction business, it's expected to increase as the drive force after the situation of great flood; people have to repair and the construction rate becomes high. For insurance- life insurance business, it will increase 12-15% especially insurance against loss that will increase 20% because Thai people start realizing the flood problem and focus on saving and for mobile spare part business; it is expected to expand 120% as the result of first-car policy.

#### 4.Conclusions

According to our observation and survey in Wichakarn Fair (24-25 July 1970) at Queen Sirikit National Convention Center, Thailand, most young people prefer jobs with more independence than young people years ago. New graduates are longing to work in well-known companies with good fringe benefits. However, all these things have gone from Thai society. From modern young people and careers survey, the most popular jobs for new graduates are in the following fields:

1.Communication, to be precise, mass communication and public relation!  
This field is among one of the most famous that modern young people want to. Be it reporter, writer, receptionist, they are about searching for updates and new moves to let the world know. These jobs are thrilling and challenging, unlike doing boring, routine work every day. No wonder why mass communication and public relation are everyone's dream jobs! As soon as positions are available, they are occupied in no time!

2. Service mind is our priority! Nowadays, sky-high servicing jobs like flight attendants are still popular around young people. Servicing career is not all about doing the same job. Outdoor catering is very popular among advertising agencies, organizers, and home parties to serve modern lifestyle! This servicing career is another thrilling, challenging lifestyle. If food is involved and you know how to make food look gorgeously mouthwatering, catering will grant you hefty some!

3. Plan and organize activities. These are another popular career for modern people, be it working in organizing companies, making debuts for new products at various places, or preparing everything from planning to countdown as freelance planners. There are various kinds of events to plan, commercial, birthday parties or even wedding. It is all about new, fresh, creative, initiative, fast and modern. If you have ideas and know how to make them true, try this!

4. Design miracle of art! If you know how to design and craft beautiful piece of art from ordinary stuff, you can do this job! Designer is one of the coolest jobs, especially jewelry and decorations. These are girls' dreams! Aside from creativity and skill, patience is also required to make your work outstanding and shining.

5. IT jobs for modern life! If you're not interested in IT, you're really out-of-date. If you can make IT your job, you're lucky. IT is all around us! Programmers, system analysts, computer administrators, these careers can bring you astronomical sum and make you trendy! If you're good at IT stuff, try this field. Update your knowledge and upgrade your life!

6. Talkative and hardworking? Marketing and sales personnel is still one of the top 10 careers for young people. It's not all about hefty sum, but also interesting, thrilling and challenging work! If you can take challenge and pressure from rival, this is your job!

7. Advertiser: show yourself and your wild side! Good advertisers dare to show the world their wildest ideas and think differently! Young people want this job, so the world may accept their true, wildest identity. Many advertisers have climbed up to be great film directors. If you're sure to have wild, cool ideas, come and join, declare independence for your ideas!

8. Be your master! Nobody can deny that they don't want their own business. We all yearn to work for ourselves. Many young people own their business early. Many people have sufficient money, while others dare to invest and lose. Sacrifice your savings and buy your dream! Your only requirements are knowledge in what you want to do and perseverance to work harder than working for others. However, many people prefer working on their own and dare to invest all their saving for their dream business.

9. Specialists in particular fields are another well-paid job. Not just anybody can do this. You must complete your study in the specific field. These careers are all about other people's life, be it doctor, nurse, lawyer, engineer, pilot. People's life is on your hand, especially for doctor. These (forever) well-paid jobs come with great risk and responsibility. People in these fields have usually showed clear sign since high school, as they need to be well-prepared in university. If you want to change your mind to do these jobs, it's too late. Specialists in particular fields will always be among the 10 most popular jobs.

10. Freelancer is one of the most popular jobs for modern people. They live freely, belong to no boss and work on one project at a time. We initially knew freelancer from fashion field, be it hairdressers, makeup artist or photographer. Later, writers write for many publishers that they can become freelancers. Freelancing goes around in many fields, be it architecture, designer, receptionist, advertiser, cyber salesperson or even fortune tellers. Freelancing has become more and more popular. Though money depends on many things, working without restriction and pressure is their greatest pleasure. In conclusion, according to the study and literature, modern Thai people change their preference, from working in big company to working on what they love and be their own master. According to my observation and surveys answered by seniors from Chulalongkorn, Thammasart, Mahidol, Srinakharinwirot, Chiang Mai and Khon Kaen University, I found out that 75% of new graduates wanted to be their own masters. According to 50 copies of our survey to Thailand's leading universities, new graduates wanted to work independently on their own, prefer planning their work to being hired. This made me happy because I want to tell Thai people that economic growth or decline won't really bother us individually as long as we work hard, endure and focus on our goal, and we will be happy, physically and mentally, and we will grow up. This is my last word of my thesis.

Over the course of its development, modern management has wrestled a lot of burly problems to the ground — it has succeeded in breaking complex tasks into small, repeatable steps, in enforcing adherence to standard operating procedures, in measuring costs and profits to the penny, in coordinating the efforts of tens of thousands of employees, and in synchronizing operations on a global scale. Yet these successes have come at a heavy price. The machinery of modern management gets fractious, opinionated, and free-spirited human beings to conform to standards and rules, but in so doing it squanders prodigious quantities of human imagination and initiative. It multiplies the purchasing power of consumers the world over, but also enslaves millions in quasi-feudal, top-down organizations. And while modern management has helped to make businesses dramatically more efficient, there's little evidence that it has made them more ethical.

Modern management has given much, but it has taken much in return, and it continues to take. Perhaps it's time to renegotiate the bargain. We must learn how

to coordinate the efforts of thousands of individuals without creating a burdensome hierarchy of overseers; to keep a tight rein on costs without strangling human imagination; and to build organizations where discipline and freedom aren't mutually exclusive. In this new century, we must strive to transcend the seemingly unavoidable trade-offs that have been the unhappy legacy of modern management.

## Chapter 3

### Thesis statement

Economic development can be defined as "a sustained community effort to improve both the local economy and the quality of life by building the area's capacity to adapt to economic change" (Loveridge and Morse). This definition suggests a distinction between economic growth and economic development. Economic growth represents an increase in jobs and income in the community. It refers to the expansion of total economic activity in the community. While economic development can involve job and income growth, it also involves sustainable increases in the productivity of individuals, businesses and resources to increase the overall well being of residents and maintaining or even enhancing the quality of life. Economic development refers to the enhancement of economic activity in the community. Economic growth is generally a short run concept while economic development is a long term commitment. To illustrate this point, say there are an increasing number of jobs in a local economy. This may represent economic growth, but if the new jobs do not pay wages that residents can afford to live on, the growth may not represent economic development. However, this short run economic growth could also be a short run objective of a long-term plan of economic development.

### 3.1 Hypnosis

Impact of economic crisis world No impact on innovation and the emergence of new entrepreneurs. B. First. Economy in crisis. As a result, students who graduate graduate. To enter the labor market as an employee. Two. Economy in crisis. As a result, students who graduate graduate. Not want to enter the labor market, but want a new experience. Economic sufficiency. Which can Elag Yong gluten itself.

Economic development is essential to the ongoing growth and vitality of a region, but development itself differs from economic growth. Economic development implies a qualitative change in what or how goods and services are produced through shifts in resource use, production methods, workforce skills, technology, information, or financial arrangements. A regional economy can grow without changing if it simply produces more of the same – same goods and services – in the same manner. For example, an increase in the population of an area will mean more income and more demand-driven growth even absent qualitative changes in the economic development environment. Development implies something more. Development and growth complement each other in the long run, although in the short run development will tie up resources that could otherwise feed more immediate economic growth. In the broadest context, public-sector economic development efforts cover any capacity-building investments or actions, including, for example, good schools and roads. Some argue that the best public-sector approach to economic development is one that focuses on investments and efficiencies that shape the broad economic environment for business and labor through education,



the transportation infrastructure, public safety, water and waste systems, regulation, and the overall tax structure. In a narrower sense, economic development often refers to direct assistance for businesses and industries. In this case, the public sector takes action to reduce costs or risks for businesses and thus encourages business investment and productivity. (National Conference of State Legislatures, 2004.) Both views – the broad and the narrow – tie back to the dynamics of regional economies and potential sources of growth. And in both cases. In the broadest context, public-sector economic development efforts cover any capacity-building investments or actions, including, for example, good schools and roads. Some argue that the best public-sector approach to economic development is one that focuses on investments and efficiencies that shape the broad economic environment for business and labor through education, the transportation infrastructure, public safety, water and waste systems, regulation, and the overall tax structure. In a narrower sense, economic development often refers to direct assistance for businesses and industries. In this case, the public sector takes action to reduce costs or risks for businesses and thus encourages business investment and productivity. (National Conference of State Legislatures, 2004.) Both views – the broad and the narrow – tie back to the dynamics of regional economies and potential sources of growth. And in both cases, policymakers must consider the appropriate role for public sector in regional economic development.

A region's economic development and growth depend upon the independent actions of many players, the overwhelming majority of whom operate in the private sector. The regional economy is shaped by the decisions of consumers, investors, loan officers, workers, corporate officials, business owners, entrepreneurs, and students, all of whom make choices and take actions that affect economic outcomes. Yet the public sector also plays an important role in the regional economy. Clearly government decisions and activity significantly influence the economic environment of a region when it comes to education, infrastructure investment and upkeep, taxes and regulations, zoning and land use, and the provision of public services. The public sector also takes more targeted actions for economic development to assist businesses and workers. Public-sector involvement in economic development often stems from legitimate concerns about positive and negative spillovers, failures in the information market, sunken investment in physical infrastructure, the social impacts of growth and development, and the political impacts of economic stagnation or decline. Information market failures – Free market theory assumes that buyers and sellers have perfect information about all elements of production, employment, and consumption decisions. The reality often falls short of this ideal. Adequate information may be lacking in the case of investors searching for opportunity, businesses looking for production locations, entrepreneurs needing start-up capital or business know-how, businesses using outmoded production or management techniques, and workers hoping to hone their skills and knowledge for emerging occupations and industries. The regional economy will benefit to the extent that the

public sector can improve the flow of information among the players in a regional economy in a cost-effective manner. Spillovers – Self-interested buyers and sellers generally fail to take into account the spillover effects of their actions when those actions result in larger costs or benefits for a community or region. Consequently, the market will produce too much when buyers and sellers overlook negative spillovers, such as pollution caused by the production process, and too little when they overlook positive spillovers, such as the overall gain for an area from education and training for residents and workers. Negative spillovers justify some government interventions, such as pollution regulation. In the case of positive spillovers, they create a market for public goods and services, such as education and training, transportation infrastructure, water and waste systems, police and fire services, and the like. For each of these examples of positive spillovers, private-sector market signals would miss the broader, community-wide benefits from these goods and services if buy-and-sell decisions were left solely to self-interested actors. Sunk investment – Economic growth depends upon how a region puts its productive capacity to use. If public infrastructure or private resources are left idle, an area misses out on the economic potential of those sunken investments. The regional economy can benefit from public-sector efforts to deploy overlooked resources for productive use, as is the case when development occurs in distressed urban areas or at abandoned industrial sites that have been cleaned up through brownfield programs. Better, also, to have new growth occur at locations in a region where businesses can take advantage of existing but underused roads, utility systems, and other infrastructure elements than to have the growth occur where it will require significant expenditures for new infrastructure. Social impacts – Growth has long-term impacts on the economic well-being of people and places. Job experience improves the ongoing employment prospects and occupational advancement of less-educated, low-skilled residents over time and in this way has long-term effects on the unemployment and poverty rates in a region. (Bartik, 2003.) Development may also prevent or short-circuit physical and economic deterioration in a neighborhood or other small geographic area. In these cases, successful public-sector economic development activity will improve the well-being of people and places. Such gains may be particularly important to low-income, low-skilled residents who are less likely to move from declining areas to growing ones. Political pressure – Economic stagnation or decline prompts demands from voters for economic development initiatives. Even in regions with healthy economies, opinion leaders and residents may press elected officials for action if they perceive that the performance of their economy is lagging behind that of other regions or if the trend line for growth has slowed. Serious concerns about the state of a region's economy will lead to public-sector economic development efforts, good or bad.

Public-Sector Impacts: Properly structured, economic development efforts by state and local governments can have a positive – albeit incremental – impact on growth. Real impacts may be hard to separate from the perception of impact. And

while the perception of impact may be an adequate measure of success from a political standpoint, the economic framework demands more. For true success, public-sector economic development initiatives must pass the following four tests. Does the impact of public-sector economic development activity sum to greater than zero? The positive impact on one local area may come at the expense of another, as in the case, for example, of a firm simply relocating its production facilities from one site to the next. Economic development efforts that encourage such relocation may only move economic activity and jobs around instead of creating real economic growth. What yields positive impacts for one community or one local economy, then, might have no positive impact on economic growth in a region or the country as a whole. Do the overall benefits of the public-sector economic development activity exceed its costs? Benefits must be weighed against the costs in order to assess whether or not economic development efforts yield true gains. Here, benefits refer not just to gains for governments from increased tax revenues but also to increased well-being of the region and its residents. Practically speaking, an accurate measure of costs and benefits is quite difficult and easily manipulated for political purposes, which makes the measurement process a tricky one. Do the costs of the public-sector economic development activity exceed the benefits that could have been realized had the dollars and resources been directed to other purposes? When funds are spent on economic development, they cannot be used for other opportunities. The question becomes whether or not the positive impact from the economic development effort exceeds the positive impact that would have resulted from alternative uses for those funds. Alternative uses include, by way of example, public investments in education, or private consumption and investment spending by the businesses and residents who paid for the economic development initiatives with their tax dollars. These considerations are often referred to as opportunity costs. Did the public-sector activity have a true impact and lead to economic development and growth, or would the development and growth have occurred even without public-sector involvement? Quite often in economic development, public dollars underwrite activity that would have taken place without any public subsidies or investments at all. Here there is no impact from the public-sector activity but only the appearance of it. Economic development is essential to the ongoing growth and vitality of a region, but development itself differs from economic growth. Economic development implies a qualitative change in what or how goods and services are produced through shifts in resource use, production methods, workforce skills, technology, information, or financial arrangements. A regional economy can grow without changing if it simply produces more of the same – same goods and services – in the same manner. For example, an increase in the population of an area will mean more income and more demand-driven growth even absent qualitative changes in the economic development environment. Development implies something more. Development and growth complement each other in the long run, although in the short run development will tie up resources that could otherwise feed more immediate economic growth. “Economic crisis that affects Thai economic system leads to

innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”

3.2.Problem Statement “Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”

### 3.3 Background of Problem

3.3.1 Background of Problem The principle of social structure is unavoidable for us such as economic system, politics or even expenditure or consumption of people in the nation. Therefore, macroeconomic and microeconomic system plays a role from production section, consumption and they always concur. As there are so many global people or population in the country but natural resources human uses to consume are limited, this causes the problem of competition, usurpation that we need to do something and money is for buying and responding our needs. If compared to the original age of human that we hunted animal for food, villagers always shared it with the village leader. If it is other countries like Thailand, of course, the national leader always gets shares directly and indirectly. The direct way is salary of such position but for the indirect way is corruption using people’s money to be his own one. This is why the developing countries cannot really distribute income to the poor and income is always in the hand of politic authorities and one of the most important but regrettable things is that Thailand can accept the fact that the government corrupts but what is the corruption must facilitate them. Or we can simply say that they can gain advantage from such corruption. Although many countries change the system of government to democracy, they cannot solve problems these problems. For example, in Thailand, for justice and balance of economy, the government should take action about public utilities and goods and interfere in the private operation such as releasing the regulations. The government should select important goods first and plan to allocate factors for production. Furthermore, the direct and indirect economic problems can possibly happen such as problems of internal affair like system of government, national leader, acceptance or resistance. These are what media show that it is a good way to audit the work. In the past, Anti-politic government did not develop and dare to express opinions but in present, we have right and freedom and there is protection from laws. According to such problems mentioned above, no matter how it looks and what kind of economic system that is, it affects population in that country such as unemployment problem in each country and Thailand is facing this problem too. Thailand’s unemployment problem is affected by external factors such as natural disasters, economic problems of neighboring countries or even problems of internal affair such as understanding of nation’s leader of what to make decision to do first. Supporting the expenditure of Thailand’s population causes lavishness that makes population rely on loan and they don’t know how to handle with debt and finance system of how to do it. Such motivation will cause long-term effect because debts that are with people will

continue to new government that it has to solve the problem. However, although problems are troubling Thailand and SMEs are affected and there are some business units collapsed and closed finally, there is a group that uses sufficiency economy applying its own ability and positive thinking. This makes them through obstacles and can live. In this research, I decide to make a study and innovation that can bring oneself to survive among the economic crisis. Problem differences

3.3.2 “Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”

### 3.3.3 The Purposes and Objective

As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

3.3.4 As professional: economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

3.3.5 As supervisor: for both private and government sectors, receiving data, news or even knowledge about economy correctly can be applied to specify targets of effective work plan and businesses will have sustainable and stable growth. “Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”

### 3.3.6 The Problem Statement and Background of Problem

3.3.7 Basic study of strategy of institutes that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

3.3.8 The change of economic system during 2012- the first quarter of Thailand’s economy in 2013

3.3.8 Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.

3.3.9 Logical and Hypothesis Analysis is the procedure of specifying relation of variables and explaining such relation by using logic reason

3.3.10 To study the economic impact of the Thailand economy in terms of unemployment and prospects of new graduates heading to become entrepreneurs instead of looking and waiting for a job in the labor market.

3.3.11 To study innovation. Caused by existing operators or new operators. And successful in the crisis in 2013.

3.3.10 Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product).

3.3.11 Economic development is a normative concept i.e. it applies in the context of people's sense of morality (right and wrong, good and bad). The definition of economic development given by Michael Todaro is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. The most accurate method of measuring development is the Human Development Index which takes into account the literacy rates & life expectancy which affect productivity and could lead to Economic Growth. It also leads to the creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment. It implies an increase in the per capita income of every citizen.

3.3.12 Economic Growth does not take into account the size of the informal economy. The informal economy is also known as the black economy which is unrecorded economic activity. Development alleviates people from low standards of living into proper employment with suitable shelter. Economic Growth does not take into account the depletion of natural resources which might lead to pollution, congestion & disease. Development however is concerned with sustainability which means meeting the needs of the present without compromising future needs. These environmental effects are becoming more of a problem for Governments now that the pressure has increased on them due to Global warming.

3.3.13. As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

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“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”

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3.4.2 The change of economic system during 2012- the first quarter of Thailand's economy in 2013

3.4.19 Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.

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3.4.21 To study the economic impact of the Thailand economy in terms of unemployment and prospects of new graduates heading to become entrepreneurs instead of looking and waiting for a job in the labor market.

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living into proper employment with suitable shelter. Economic Growth does not take into account the depletion of natural resources which might lead to pollution, congestion & disease. Development however is concerned with sustainability which means meeting the needs of the present without compromising future needs. These environmental effects are becoming more of a problem for Governments now that the pressure has increased on them due to Global warming.

3.4.26 The scope of the research. The Welsh Assembly Government's National 10 Year Homelessness Plan will guide the development and delivery of services to people in housing need. It will aim to reduce homelessness to a minimum over the next decade. We are undertaking consultation on this Plan to find out what all our stakeholders, including services users, think about this Plan. The information you provide will be used to check that we have identified the areas that need to be addressed in order to achieve our aim. It will also be used to help guide how we take the Plan forward. It is therefore important that you tell us what you think by completing this consultation questionnaire. When we have completed this consultation, we will write a report to summarise the key findings and the impact that these have made on the drafting of the final version of the plan. This report will be made available to all of our stakeholders. Space is given after each question for your answer. If you have printed out this questionnaire, you might need more room for your answer. If you do, then you can use additional sheets of paper to continue your answer. If you do use additional sheets of paper, please put on these the number of the question that your answer relates to.

3.4.27 Consultation Questionnaire The information you provide will help us to record who is responding to our consultation so that we can ensure that we have taken into account views from a broad range of stakeholders. The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically generated e-mail confidentiality statement, would, necessarily exclude the public right of access.

#### 4. Hypnosis

4.1 Hypnosis : Impact of economic crisis world No impact on innovation and the emergence of new entrepreneurs.

4.2 First. Economy in crisis. As a result, students who graduate graduate. To enter the labor market as an employee.



Two. Economy in crisis. As a result, students who graduate graduate. Not want to enter the labor market, but want a new experience. Economic sufficiency. Which can Elag Yong gluten itself.

3.5. The scope of the research. The Welsh Assembly Government's National 10 Year Homelessness Plan will guide the development and delivery of services to people in housing need. It

will aim to reduce homelessness to a minimum over the next decade. We are undertaking consultation on this Plan to find out what all our stakeholders, including services users, think about this Plan. The information you provide will be used to check that we have identified the areas that need to be addressed in order to achieve our aim. It will also be used to help guide how we take the Plan forward. It is therefore important that you tell us what you think by completing this consultation questionnaire. When we have completed this consultation, we will write a report to summarise the key findings and the impact that these have made on the drafting of the final version of the plan. This report will be made available to all of our stakeholders. Space is given after each question for your answer. If you have printed out this questionnaire, you might need more room for your answer. If you do, then you can use additional sheets of paper to continue your answer. If you do use additional sheets of paper, please put on these the number of the question that your answer relates to. Consultation Questionnaire The information you provide will help us to record who is responding to our consultation so that we can ensure that we have taken into account views from a broad range of stakeholders. The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically generated e-mail confidentiality statement, would necessarily exclude the public right of access.

Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product).

Economic development is a normative concept i.e. it applies in the context of people's sense of morality (right and wrong, good and bad). The definition of economic development given by Michael Todaro is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater

choice. The most accurate method of measuring development is the Human Development Index which takes into account the literacy rates & life expectancy which affect productivity and could lead to Economic Growth. It also leads to the creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment. It implies an increase in the per capita income of every citizen.

Economic Growth does not take into account the size of the informal economy. The informal economy is also known as the black economy which is unrecorded economic activity. Development alleviates people from low standards of living into proper employment with suitable shelter. Economic Growth does not take into account the depletion of natural resources which might lead to pollution, congestion & disease. Development however is concerned with sustainability which means meeting the needs of the present without compromising future needs. These environmental effects are becoming more of a problem for Governments now that the pressure has increased on them due to Global warming. Economic growth is a necessary but not sufficient condition of economic development.

### 3.6. Conclusion Chapter II

Economics of European Cease Study of financial crisis. The European sovereign debt crisis (often referred to as the Eurozone crisis) is an ongoing financial crisis that has made it difficult or impossible for some countries in the euro area to repay or re-finance their government debt without the assistance of third parties. In 1992, members of the European Union signed the Maastricht Treaty, under which they pledged to limit their deficit spending and debt levels. However, in the early 2000s, a number of EU member states were failing to stay within the confines of the Maastricht criteria and turned to securitising future government revenues to reduce their debts and/or deficits. Sovereigns sold rights to receive future cash flows, allowing governments to raise funds without violating debt and deficit targets, but sidestepping best practice and ignoring internationally agreed standards. This allowed the sovereigns to mask their deficit and debt levels through a combination of techniques, including inconsistent accounting, off-balance-sheet transactions as well as the use of complex currency and credit derivatives structures. Germany, for example, received €15.5 billion from the securitization of pension-related payments from Deutsche Telekom, Deutsche Post, and Deutsche Postbank in 2005–06, but guaranteed payments so investors bore only the risk of the German government's credit and the transactions were ultimately recorded in Europe's fiscal statistics as government borrowing, not asset sales. Concerns intensified in early 2010 and thereafter, leading European nations to implement a series of financial support measures such as the European Financial Stability Facility (EFSF) and European Stability Mechanism (ESM).

The folks I like to refer to as “Friedmaniacs” (Friedman and Hayek followers) are doubtless, as leaders of the “neo-liberal” movement, revelling in this game’s design. More evident propaganda for the failed Berlin experiment with extreme austerity. I love your article, not just because of the fact it is a critique of this absurd mechanism, but because it is so highly detailed in its criticism. I am totally befuddled by the Romney/Ryan connection, which seems, superficially, to be a marriage made in heaven. But their views are, in many ways, quite different. My take is that Romney simply brought on Ryan to confirm his questionable conservative credentials as authentic. So much for wisdom. Ryan, had the progressives had a choice, would have been their own recommendation. He’s so transparent, and his budget ideas are so moronic, that he makes an overly easy target for all kinds of campaign strategies, not to mention that I believe that “vice-presidential debates” may very well turn out to be the best entertainment on the planet.

Now be a good slave and continue paying your taxes—I mean, be a patriotic American and pay your taxes as you know the government must either get it from you or “borrow” from the Chinese (wink, wink). Those in power are sorry to inform you that they simply cannot, cannot deliver on Social Security, Medicare, or for that matter, anything else you Plebs may be in need of. Now embrace your austerity like a good little boy. If they have need of your services, they will let you know. Meanwhile, if someone’s buying power must be limited, let it be the schmuck who works for a living—his paycheck is so easily available, and the more poor you keep the working class, the less trouble they cause the elite who actually run the show. Meanwhile, Paul Ryan is planning to give us all a stake in a retirement fund. You can put it in a 401K on Wall Street, and after paying a substantial fee to Ryan’s buddies for managing the account, you can retire in the lap of luxury. (wink wink)

### 3.7. General Analysis

We know that the supporters of austerity simultaneously urge us to reject “European socialism” while adopting the key European strategies that drove Europe into recession – twice. American conservatives assume that Europe must epitomize stringent financial regulation. The opposite is true. Europe adopted “light touch” financial regulation pursuant to neo-liberal economic theory. Its embrace of the three “de’s” – deregulation, desupervision, and de facto decriminalization was far more extreme than the United States. The City of London “won” the regulatory race to the bottom with the U.S. European’s adopted the full Basel II reduction in capital requirements without the minimum gearing ratio that the Federal Deposit Insurance Corporation (FDIC) insisted upon. The FDIC prevailed over the intense, but fortunately unsuccessful opposition of the Federal Reserve economists who were the principal architects of Basel II’s disastrous reduction in capital requirements. The result was that European Union banks had roughly twice the leverage of U.S. banks and faced no meaningful regulatory restraints. The result was far larger real estate bubbles in several European nations (as a percentage of GDP) than in the U.S.,

multiple financial crises, and a Great Recession that reached depression levels in several nations.

Most of Europe was in a weak recovery from that Great Recession when Berlin's insistence on austerity (a pro-cyclical policy that causes recessions to become more severe) threw most of the Eurozone back into recession and much of the periphery into severe depressions. We have run a "natural experiment." The U.S. adopted a modest counter-cyclical fiscal policy while Berlin forced Eurozone nations to adopt pro-cyclical fiscal policies. The result has been a modest recovery in the U.S. and a second, gratuitous recession in the Eurozone with depression-level disasters in much of the EU periphery.

### 3.8 .Actualization :

Proposals to reduce dramatically federal payments for social security and health care. He and Governor Romney call for a stringent austerity program to balance the federal budget. Romney has repeatedly taken to calling ending any deficit a "moral" imperative. The media figures who call the public officials who make these deficit claims and proposals "serious" and "courageous" demonstrate how unserious and economically illiterate the media figures are. The call to "balance the budget" during a weak recovery from a Great Recession is profoundly unserious, wasteful, malicious, and self-destructive. It also displays a callous indifference to suffering of tens of millions of people. Most of all, it is obscene that the media still accepts as fact the myth that austerity would balance the budget. I explained recently why Spain's austerity program caused its budget deficit to grow. This result is not anomalous – it is precisely what economic theory predicts will often be the result of pro-cyclical fiscal policies. Severe recessions are the leading cause of major budget deficits. Pro-cyclical fiscal policies (austerity) make recessions more severe by reducing private and public sector demand at a time when demand was already severely inadequate. The unserious nature of the Romney/Ryan's odes to austerity has been made clear by Romney's admissions (twice) that adopting austerity at this time would be so self-destructive that it would likely throw the nation back into recession and by the lack of specifics and incoherence of Ryan's "plan" to purportedly achieve a balanced budget while embracing enormous tax reductions for the wealthy.

The claim that deficits are immoral because they harm our children reverses reality. Austerity is the leading enemy of children. Forcing parents into unemployment and bankruptcy and their homes into foreclosure represents the leading assault on children. Counter-cyclical fiscal policies reduce the severity of recessions and speed recovery. Our automatic stabilizers help our children. Austerity harms our children. The "deficits are a burden on our children" argument rests on another economic myth. It is a myth that a nation with a sovereign currency

like the U.S. is not “just like” a household with regard to deficits or surpluses. The U.S. has, throughout our history, overwhelmingly run budget deficits and history shows that every effort to balance the budget and reduce the debt was soon followed by a depression or the Great Recession.

First, the game is based on the myth that a nation can adopt austerity and ensure that it does not run a budget deficit. Think of Marketplace’s description of the game – if one spends “more on a program” the deficit increases. Spain illustrates why this is not likely to be true during the recovery from a severe recession. Spending more on a program can help spur a recovery and reduce the budget deficit. The game allows a player to choose “Economic Stimulus” as a “badge” (your primary fiscal strategy) but there’s a catch that the game doesn’t include in the badge’s explanation of that strategy – the game assumes that fiscal policy has no effect on economic growth or unemployment. No one believes that assumption is accurate. Any player that follows an “economic stimulus” strategy will experience a prompt “budget bust” failure because the game treats pro and anti-cyclical fiscal policies as having direct budgetary effects but no effects on the economy that would feedback into the budget. That assumption makes no economic sense, but it means that there is only viable strategy for the game. Austerity cannot throw a nation back into recession and increase the budget deficit the way it did Spain. Austerity can only reduce the deficit. The flip side is the game makes it impossible for economic stimulus to succeed in reducing the U.S. budget deficit. It follows that the game does not increase the deficit the way it did in Spain. In the game, stimulus cannot stimulate the economy – it can only increase the deficit. No one serious (or honest) about economics would design a game that is economically illiterate and gimmicks the answer so that austerity is the only viable strategy even though we observe it leading to disaster in Europe. One becomes a “hero” by embracing austerity and causing an economic catastrophe.

Note that the game does not even allow the obvious options to greatly reduce the severity of the recession and increase employment. President Obama’s stimulus proposal had an excellent revenue sharing component that was killed by a coalition of conservative (“blue dog”) Democrats and Republicans. Revenue sharing is a Republican concept that made perfect sense in countering the Great Recession because everyone knew that, unlike the federal government (which has its own sovereign currency), the states and localities faced hard budget constraints that would lead to cutbacks of public services and employment at precisely the worst time. Those cutbacks would harm the public and the economic recovery. Federal revenue sharing allows the states and localities to fund their top budgetary priorities. The game does not allow the player to employ revenue sharing.

3.9. General Recommendations : The game only allows one to increase annual taxes by roughly \$160 billion (with a GDP > \$15 trillion – a trillion is a thousand billion). Removing the option to have a significant tax increase demonstrates that the game’s designers were “serious,” but in a disturbing and dishonest way. The game designers thought seriously about how to gimmick the game to add to the moral panic that would lead the public to demand that politicians wield their budgetary axes against the elderly, poor, and the sick and would brand such cowards as “heroes.” The designers made it impossible to increase taxes sufficiently to produce a (net) reduction in the deficit. Considering taxes should also lead us to reexamine the game designers’ use of the word “hero.” “Heroic” should be reserved for an unusual, severe sacrifice. Cutting benefits for other people never warrants that term. Raising one’s own tax rate does at least have an element of sacrifice, but when the middle class and above pay taxes we are not making an unusual, severe sacrifice. Wealthy Americans once routinely paid a far higher marginal income tax rate without claiming that doing so made them “heroic.” We are debasing the word “heroic” if we term the marginal income tax rates that existed under President Eisenhower as requiring “heroic” sacrifices by the wealthiest Americans. Cut health care costs. The fastest increase in any expense category, which indirectly drives the interest expense category, is health care. The extreme escalation in health care costs is the largest factor driving the moral panic about budget deficits. The obvious option is a public health care system. The existing insurance-based U.S. health care system provides no better health outcomes than the dreaded Europe (and many argue that Europe produces superior outcomes). We spend roughly twice as much (as a percentage of GDP) as Europe. The savings from adopting national health care would be massive (particularly over the lengthy time period the game employs). The national health care option, alone, would kill the moral panic propaganda. The game designers know about this alternative. It took serious thought for them to exclude it.

Cut defense spending. The game allows moderate cuts to defense spending but there appears to be a hidden gimmick. The options appear to run out. I experimented by using every permissible defense cut (some of the cards “overlap” and cannot all be used), including the “freeze” defense spending levels game “card.” When I move the “date” bar I find that after a time defense spending begins to rapidly escalate. It is not clear what model is driving the assumption that our default spending level on defense should escalate from the status quo (where we spend more on defense than the nine next-highest spenders on defense – combined) to a far higher level. The game does not allow one to make far larger cuts to defense.

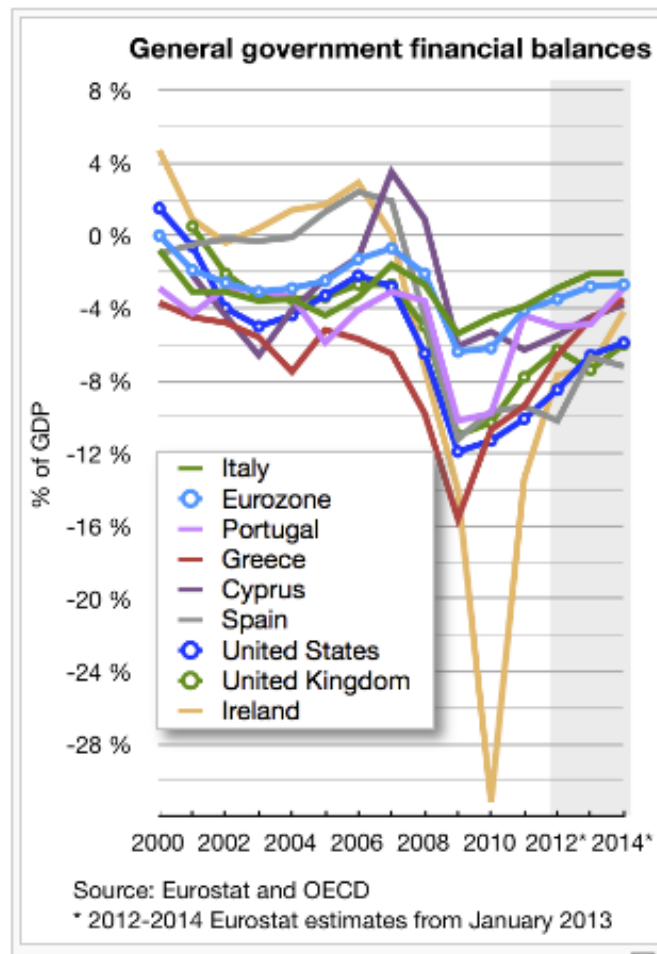


Table 3.1 General Government

Establish more effective financial regulation and prosecutions of elite white-collar criminals. The Great Recession is the latest of our recurrent, intensifying financial crises driven by an epidemic of elite accounting control fraud. The Financial Crisis Inquiry Commission reports that considering only the household sector, their losses were \$11 trillion. Effective regulation is essential for financial markets. The game treats financial regulation as an expense. His proposals to reduce dramatically federal payments for social security and health care. He and Governor Romney call for a stringent austerity program to balance the federal budget. Romney has repeatedly taken to calling ending any deficit a “moral” imperative. The media figures who call the public officials who make these deficit claims and proposals “serious” and “courageous” demonstrate how unserious and economically illiterate the media figures are. The call to “balance the budget” during a weak recovery from a Great Recession is profoundly unserious, wasteful, malicious, and self-destructive. It also displays a callous indifference to suffering of tens of millions of people. Most of all, it is obscene that the media still accepts as fact the myth that austerity would balance the budget. I explained recently why Spain’s austerity program caused its budget deficit to grow. This result is not anomalous – it is precisely what economic

theory predicts will often be the result of pro-cyclical fiscal policies. Severe recessions are the leading cause of major budget deficits. Pro-cyclical fiscal policies (austerity) make recessions more severe by reducing private and public sector demand at a time when demand was already severely inadequate. The unserious nature of the Romney/Ryan's odes to austerity has been made clear by Romney's admissions (twice) that adopting austerity at this time would be so self-destructive that it would likely throw the nation back into recession and by the lack of specifics and incoherence of Ryan's "plan" to purportedly achieve a balanced budget while embracing enormous tax reductions for the wealthy. The claim that deficits are immoral because they harm our children reverses reality. Austerity is the leading enemy of children. Forcing parents into unemployment and bankruptcy and their homes into foreclosure represents the leading assault on children. Counter-cyclical fiscal policies reduce the severity of recessions and speed recovery. Our automatic stabilizers help our children. Austerity harms our children. The "deficits are a burden on our children" argument rests on another economic myth. It is a myth that a nation with a sovereign currency like the U.S. is not "just like" a household with regard to deficits or surpluses. The U.S. has, throughout our history, overwhelmingly run budget deficits and history shows that every effort to balance the budget and reduce the debt was soon followed by a depression or the Great Recession.

The European sovereign debt crisis (often referred to as the Eurozone crisis) is an ongoing financial crisis that has made it difficult or impossible for some countries in the euro area to repay or re-finance their government debt without the assistance of third parties. In 1992, members of the European Union signed the Maastricht Treaty, under which they pledged to limit their deficit spending and debt levels. However, in the early 2000s, a number of EU member states were failing to stay within the confines of the Maastricht criteria and turned to securitising future government revenues to reduce their debts and/or deficits. Sovereigns sold rights to receive future cash flows, allowing governments to raise funds without violating debt and deficit targets, but sidestepping best practice and ignoring internationally agreed standards.

### 3.10 Problems and shaking of Thailand.

A little Socialism here, and a little Capitalism there; a concern for the public sector here, and a concession to the profit motive there; a sop to the "underprivileged" here, and a bow to incentive there — put them all together, and what have you got? Nothing but a great big rag-bag, a haphazard pastiche of odds and ends without any bones and without any guts! Nevertheless, there is a Middle Way. There is a body of socio-economic truth which incorporates the best insights of both Capitalism and Socialism. Yet they are not insights that are artificially woven together to form a deliberate compromise. Instead, they arise naturally, with a kind of inner logic, from the profound ethical distinction which is the system's core. They arise remorselessly from an understanding of the meaning of the commandment:



"Thou shalt not steal." "Economics" has been called "the science of how people make a living." We all have to make a living! Shouldn't we all understand something about economics?

Often, though, when people talk about Economics, their words seem to get all twisted around! How do we even know what's being talked about? The Henry George Institute's courses are designed to DE-OBFUSCATE the basic principles of how our economy works (and fails). Basic terms are defined clearly and consistently. We won't ask you to accept anything unless you can clearly see the proof. In our courses you'll look at social problems in the context of everyday situations. Here's an exercise to give you a taste of how you'll approach things in our Understanding Economics course. At right are twelve images of things one might encounter in our day-to-day economy. There are four ranges on the screen, labeled Land, Capital, Labor and Other. autobiography was first used deprecatingly by William Taylor in 1797 in the English periodical the Monthly Review, when he suggested the word as a hybrid but condemned it as 'pedantic'; but its next recorded use was in its present sense by Robert Southey in 1809. The form of autobiography however goes back to antiquity. Biographers generally rely on a wide variety of documents and viewpoints; an autobiography, however, may be based entirely on the writer's memory. Closely associated with autobiography (and sometimes difficult to precisely distinguish from it) is the form of memoir. This paper considers the prospects for constructing a neoclassical theory of growth and international trade that is consistent with some of the main features of economic development. Three models are considered and compared to evidence: a model emphasizing physical capital accumulation and technological change, a model emphasizing human capital accumulation through schooling, and a model emphasizing specialized human capital accumulation through learning-by-doing. We won't ask you to accept anything unless you can clearly see the proof. In our courses you'll look at social problems in the context of everyday situations. How does this new institutional approach fit in with neo-classical theory? It begins with the scarcity hence competition postulate; it views economics as a theory of choice subject to constraints; it employs price theory as an essential part of the analysis of institutions; and it sees changes in relative prices as a major force inducing change in institutions.

Improve this chart	Economic Development	Economic Growth
<b>Implications:</b>	Economic development implies changes in income, savings and investment along with progressive changes in socio-economic structure of country (institutional and technological changes).	Economic growth refers to an increase in the real output of goods and services in the country.
<b>Factors:</b>	Development relates to growth of human capital indexes, a decrease in inequality figures, and structural changes that improve the general population's quality of life.	Growth relates to a gradual increase in one of the components of Gross Domestic Product: consumption, government spending, investment, net exports.
<b>Measurement:</b>	Qualitative. HDI (Human Development Index), gender-related index (GDI), Human poverty index (HPI), infant mortality, literacy rate etc.	Quantitative. Increase in real GDP. Shown by PPF.
<b>Effect:</b>	Brings qualitative and quantitative changes in the economy	Brings quantitative changes in the economy
<b>Concept:</b>	Normative concept	Narrower concept than economic development
<b>Relevance:</b>	Economic development is more relevant to measure progress and quality of life in developing nations.	Economic growth is a more relevant metric for progress in developed countries. But it's widely used in all countries because growth is a necessary condition for development.

Table 3.2 Table of Economics Development

How does this approach modify or extend neo-classical theory? In addition to modifying the rationality postulate, it adds institutions as a critical constraint and analyzes the role of transaction costs as the connection between institutions and costs of production. It extends economic theory by incorporating ideas and ideologies into the analysis, modeling the political process as a critical factor in the performance of economies, as the source of the diverse performance of economies, and as the explanation for "inefficient" markets. Analysis tools from Comparison Model Chart., By seeking relationships. Economic Development and Economic Growth Compared with Implication, Factor, Measurement ,Effect, Concept, and Relevance.

Drag each item into the range you think it ought to go in. But be careful! If you don't place it in the correct range (according to our Economic Definitions), it won't stick there. You'll have to try again. And there's another trick to watch out for: some of the items might incorporate two of the factors. In that case, they'll only stick to the correct boundary line between those two factors. So much of what we "know" about the world is really what "specialists" tell us: men have walked on the moon. nothing can travel faster than light. government debt is killing us.society must always trade

between inflation and unemployment We can't confirm any of those things from our own experience, so we accept the "expert" opinion. What choice do we have? It might be fun to know about sciences such as physics or biology. But economic principles affect every single one of us, every day of our lives. Economics asks the questions we all ask, such as: Why is there poverty, when productivity keeps increasing?

Why are willing, able workers unemployed?

Why are there boom - bust cycles?

Why does government always need more money?

Is "economic growth" killing our planet? It may seem odd that both "capitalists" and "socialists" speak of the justice of their system and the vile in-justice of their opponents'. Is there any universal standard of justice upon which economic policy can be based. "Socialism" has many meanings to many people, but in its most common sense, it is a system of social or governmental ownership and control of the means of production. Socialism is usually discussed in opposition to "Capitalism" — which is commonly taken to mean a system of private property in which economic decisions are made in a market that is free of government intervention. In the hysterical political climate that characterized the cold war, the meanings of these terms tended to get squashed under the ideological weight that they carried. Each "ism" became identified with the diabolical plot of an enemy. Meanwhile, their use to describe economic policies was muddled, as "free-market" economies developed more and more "socialistic" government programs — and "socialist" economies granted more "market freedom" to producers. Eventually the terms came to have about as much ideological content as the names "Red Sox" and "White Sox."

However, "socialism" is often identified with the quest for economic justice. The basic assumption underlying it is that the marketplace, under conditions of laissez-faire competition, cannot provide society with an equitable distribution of wealth. Socialists assert that if the market is left alone to decide who is to get how much of the world's goods, the result is a division of society into classes and the emergence of a struggle between the exploiting class and the enslaved working class. Competition inevitably becomes "cutthroat" the marketplace gives the highest rewards to the most unscrupulous exploiters. Meanwhile, many are proud to rally behind the banner of "capitalism." They contend that free competition makes the fullest possible use of the gifts of nature and human ingenuity. When the admirable efficiency of the market is hindered by do-gooders trying to secure their vague ideas of "fairness," the result is unemployment, stagnation and corruption. Analysis tools from Comparison Model Chart., By seeking relationships. Economic Development and Economic Growth Compared with Implication, Factor, Measurement ,Effect, Concept, and Relevance. The answer lies in the rightful basis of public vs. private ownership. For the thorough-going free-market capitalist, "public ownership" of anything is anathema: the

community's interests are best served by the unhindered interactions of self-interested producers and traders. But the poverty, suffering and environmental destruction that come under such a "private property" regime cannot be denied. Because of this, the great bulk of social-policy debate revolves around how much of the efficiency of free enterprise must be traded for public interference, imposed in the name of equity. The question of the rightful balance between public and private control becomes one of expediency and political fashion, lacking any guiding principle. For Henry George, however, the principle was clear. The value of natural opportunities belongs entirely to the community, and the production of wealth by labor, using capital, should be entirely unhindered by the penalty of taxation. For George, the important question was not the amount of wealth that should be taken by the community, but the kind of wealth that should rightfully go to the community, because it is a value that the community has created. In recent years, this understanding of the distinctive character of natural opportunity (land) as a factor of production has led to the coining of a new term: Geoism, indicating a philosophy based on the rightful understanding of the place of the Earth (Geo-) in economic life. An institutional/cognitive story of long run economic change begins by examining the changing initial conditions confronting diverse groups of individuals. As tribes evolved in different physical environments they developed different languages and, with different experiences, different mental models to explain the world around them. To the extent that experiences were common to different tribes the mental models provided common explanations. The language and mental models formed the informal constraints that defined the institutional framework of the tribe and were passed down intergenerationally as customs, taboos, myths that provided the continuity that we call culture and forms part of the key to path dependence. With growing specialization and division of labor the tribes evolved into polities and economies; the diversity of experiences and learning produced increasingly different societies and civilizations with very different degrees of success in solving the fundamental economic problems of scarcity. The reason for differing success is straightforward. The complexity of the environment increased as human beings became increasingly interdependent, and more complex institutional structures were necessary to capture the potential gains from trade. Such evolution required that the society develop institutions that will permit anonymous, impersonal exchange across time and space. But to the extent that "local experience" had produced diverse mental models and institutions with respect to the gains from such cooperation, the likelihood of creating the necessary institutions to capture the gains from trade of more complex contracting varied.<sup>5</sup> The key to this story is the kind of learning that organizations acquired to survive. If the institutional framework made the highest pay-offs for organizations piracy, then organizational success and survival dictated that learning would take the form of being better pirates. If on the other hand productivity raising activities had the highest pay-off then the economy would grow. There is no guarantee that the perceived pay-offs will favor the latter rather than the former and indeed economic history bears abundant testimony to economic growth being the

exception. The long evolution of the western world from the relative backwardness of the tenth century to its growth, preeminence, and hegemony by the eighteenth century is striking not only because of the relative failures in the rest of the world (China and Islam for example) but equally for the diverse degrees of success in the west itself.<sup>6</sup> What went wrong with the failures and more urgently why is it so hard to make it right? An explanation entails some analysis of the institutional requirements necessary to capture the productivity implications of modern technology. The second economic revolution which began in the second half of the nineteenth century was the systematic application of the modern scientific disciplines to technology and more broadly to the economic problems of scarcity.<sup>7</sup> For those economies that could realize their potential the productivity implications have resulted in standards of wellbeing simply unimagined by prior generations. But to realize the advantages of this technology has entailed a fundamental restructuring of economic activity and more than that of the entire society. The economic restructuring involves realizing the productive implications of world-wide specialization and division of labor. While Chandler(1977) has captured some of the key elements of this transformation for individual firms, the overall costs of coordinating and integrating economies-- transaction costs—entail economy-wide restructuring including the development of a polity that will enact and enforce the rules of the game necessary to such integration.

## Chapter 4

### Methodology

Backgrounds : “Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013” Thailand business interview. Successful five companies in 2013 in terms of the trends of the new graduates are more likely to become entrepreneurs themselves. Instead of entering the labor market. Under crisis and rising unemployment rates in the country. This year will be the first in which emerging markets account for more than half of world GDP on the basis of purchasing power, according to the International Monetary Fund (IMF). In 1990 they accounted for less than a third of a much smaller total. From 2003 to 2011 the share of world output provided by the emerging economies grew at more than a percentage point a year (see chart 1). The remarkably rapid growth the world has seen in these two decades marks the biggest economic transformation in modern history. Its like will probably never be seen again. According to a recent study by Arvind Subramanian and Martin Kessler, of the Peterson Institute, a think-tank, from 1960 to the late 1990s just 30% of countries in the developing world for which figures are available managed to increase their output per person faster than America did, thus achieving what is called “catch-up growth”. That catching up was somewhat lackadaisical: the gap closed at just 1.5% a year. From the late 1990s, however, the tables were turned. The researchers found 73% of developing countries managing to outpace America, and doing so on average by 3.3% a year. Some of this was due to slower growth in America; most was not. The most impressive growth was in four of the biggest emerging economies: Brazil, Russia, India and China, which Jim O’Neill of Goldman Sachs, an investment bank, acronymed into the BRICs in 2001. These economies have grown in different ways and for different. Background and reliability reasons.<sup>15</sup> Background and reliability reasons. But their size marked them out as special—on purchasing-power terms they were the only \$1 trillion economies outside the OECD, a rich world club—and so did their growth rates (see chart 2). Mr O’Neill reckoned they would, over a decade, become front-rank economies even when measured at market exchange rates, and he was right. Today they are four of the largest ten national economies in the world. The remarkable growth of emerging markets in general and the BRICs in particular transformed the global economy in many ways, some wrenching. Commodity prices soared and the cost of manufactures and labour sank. Global poverty rates tumbled. Gaping economic imbalances fuelled an era of financial vulnerability and laid the groundwork for global But their size marked them out as special—on purchasing-power terms they were the only \$1 trillion economies outside the OECD, a rich world club—and so did their growth rates (see chart 2). Mr O’Neill reckoned they would, over a decade, become

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<sup>15</sup> <http://www.slideshare.net/aquinaseconomics/causes-of-economic-growth>

front-rank economies even when measured at market exchange rates, and he was right. Today they are four of the largest ten national economies in the world. The remarkable growth of emerging markets in general and the BRICs in particular transformed the global economy in many ways, some wrenching. Commodity prices soared and the cost of manufactures and labour sank. Global poverty rates tumbled. Gaping economic imbalances fuelled an era of financial vulnerability and laid the groundwork for global crisis. A growing and vastly more accessible pool of labour in emerging economies played a part in both wage stagnation and rising income inequality in rich ones. The shift towards the emerging economies will continue. But its most tumultuous phase seems to have more or less reached its end. Growth rates in all the BRICs have dropped. The nature of their growth is in the process of changing, too, and its new mode will have fewer direct effects on the rest of the world. The likelihood of growth in other emerging economies having an effect in the near future comparable to that of the BRICs in the recent past is low; they do not have the potential for catch-up the BRICs had in the 1990s and 2000s. And the BRICs' growth has changed the rest of the world economy in ways that will dampen the disruptive effects of any similar surge in the future. The emerging giants will grow larger, and their ranks will swell; but their tread will no longer shake the Earth as once it did<sup>16</sup>.

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<sup>16</sup> <http://owl.english.purdue.edu/owl/resource/560/02/>

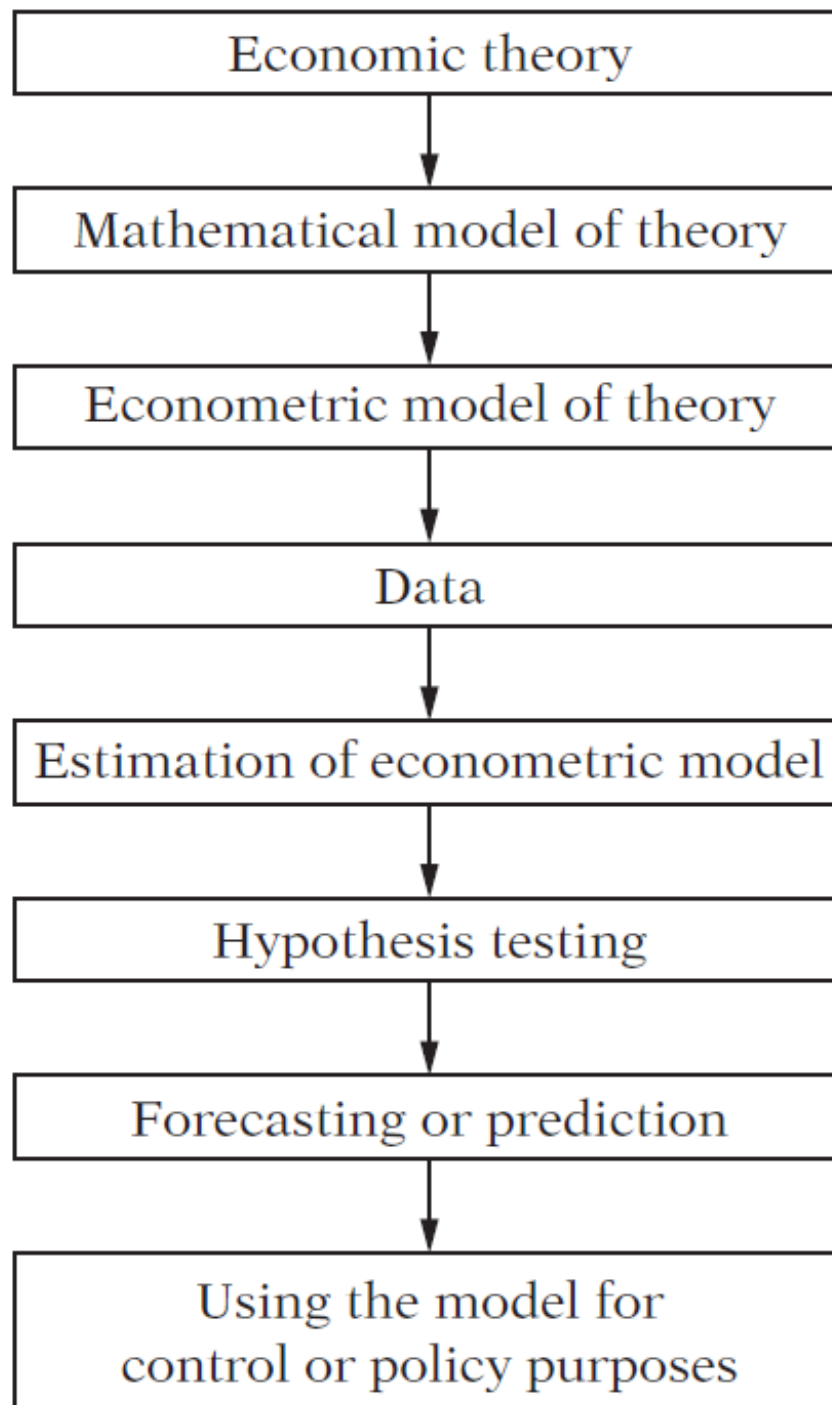


Table 4.1 Table of Process management

Technique and Mythology



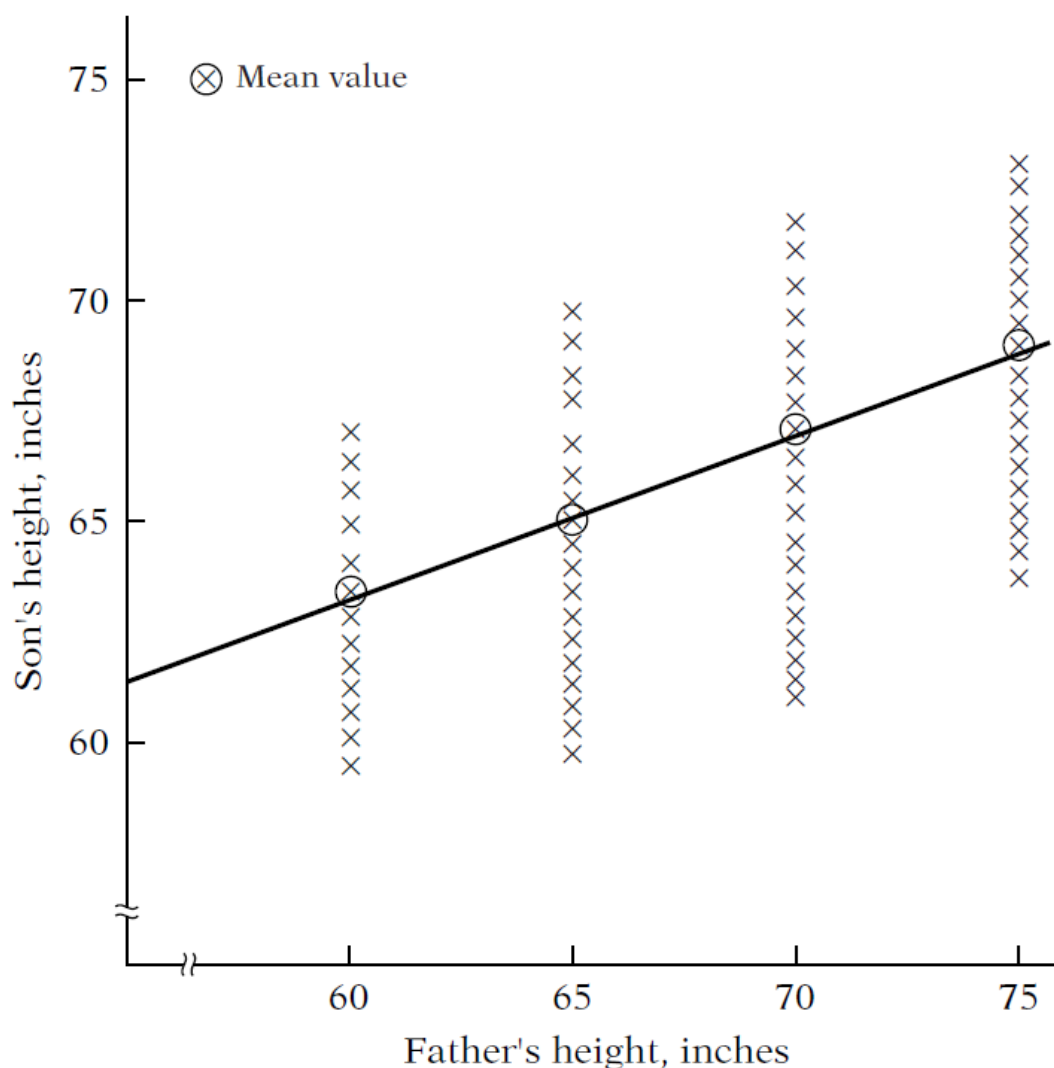


Table 4.2 This process of using the Thesis Regression.

Table4. 3 Graph of the Regression Equation 1.

Theoretical econometrics is concerned with the development of appropriate methods for measuring economic relationships specified by econometric models. In this aspect, econometrics leans heavily on mathematical statistics. For example, one of the methods used extensively in this book is least squares. Theoretical econometrics must spell out the assumptions of this method, its properties, and what happens to these properties when one or more of the assumptions of the method are not fulfilled. In applied econometrics we use the tools of theoretical econometrics to study some special field(s) of economics and business, such as the production function, investment function, demand and supply functions, portfolio theory, etc. This book is concerned largely with the development of econometric methods, their assumptions, their uses, their limitations. These methods are illustrated with examples from various areas of economics and business. But this is not a book of applied econometrics in the sense that it delves deeply into any particular field of

economic application. That job is best left to books written specifically for this purpose. References to some of these books are provided at the end of this book

4.2. The Role of the Computer. Regression analysis, the bread-and-butter tool of econometrics, these days is unthinkable without the computer and some access to statistical software. (Believe me, I grew up in the generation of the slide rule!) Fortunately, several excellent regression packages are commercially available, both for the mainframe and the microcomputer, and the list is growing by the day.

Regression software packages, such as ET, LIMDEP, SHAZAM, MICRO TSP, MINITAB, EVIEWS, SAS, SPSS, STATA, Microfit, PcGive, and BMD have most of the econometric techniques and tests discussed in this book. In this book, from time to time, the reader will be asked to conduct Monte Carlo experiments using one or more of the statistical packages. Monte Carlo experiments are “fun” exercises that will enable the reader to appreciate the properties of several statistical methods discussed in this book. The details of the Monte Carlo experiments will be discussed at appropriate places.

#### 4.3 Historical Origin of the Term Regression

The term regression was introduced by Francis Galton. In a famous paper, Galton found that, although there was a tendency for tall parents to have tall children and for short parents to have short children, the average height

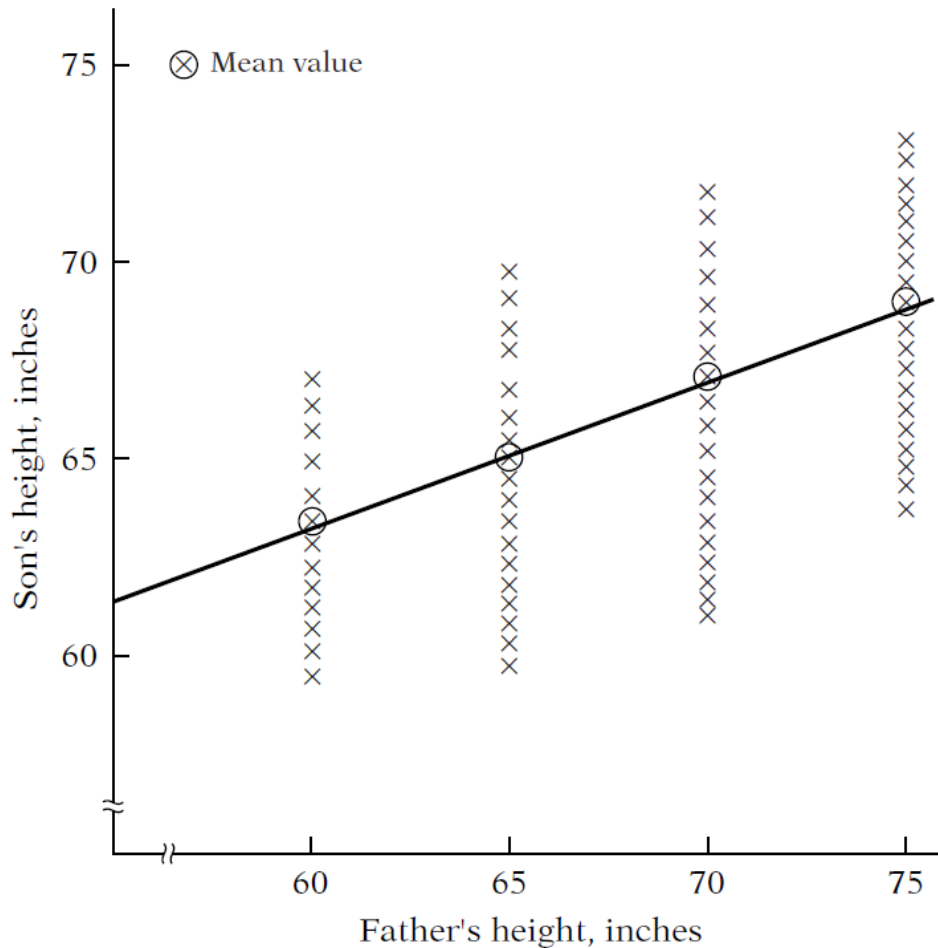
of children born of parents of a given height tended to move or “regress” toward

the average height in the population as a whole.<sup>1</sup> In other words, the height of the children of unusually tall or unusually short parents tends to move toward the average height of the population. Galton’s law of universal regression was confirmed by his friend Karl Pearson, who collected more than a thousand records of heights of members of family groups.<sup>2</sup> He found that the average height of sons of a group of tall fathers was less than their fathers’ height and the average height of sons of a group of short fathers was greater than their fathers’ height, thus “regressing” tall and short sons alike toward the average height of all men. In the words of Galton, this was “regression to mediocrity.”

#### 4.4 The Modern Interpretation of Regression

Regression analysis is concerned with the study of the dependence of one variable, the dependent variable, on one or more other variables, the explanatory variables, with a view to estimating and/or predicting the (population) mean or average value of the former in terms of the known or fixed (in repeated sampling) values of the latter.

The full import of this view of regression analysis will become clearer as we progress, but a few simple examples will make the basic concept quite clear.

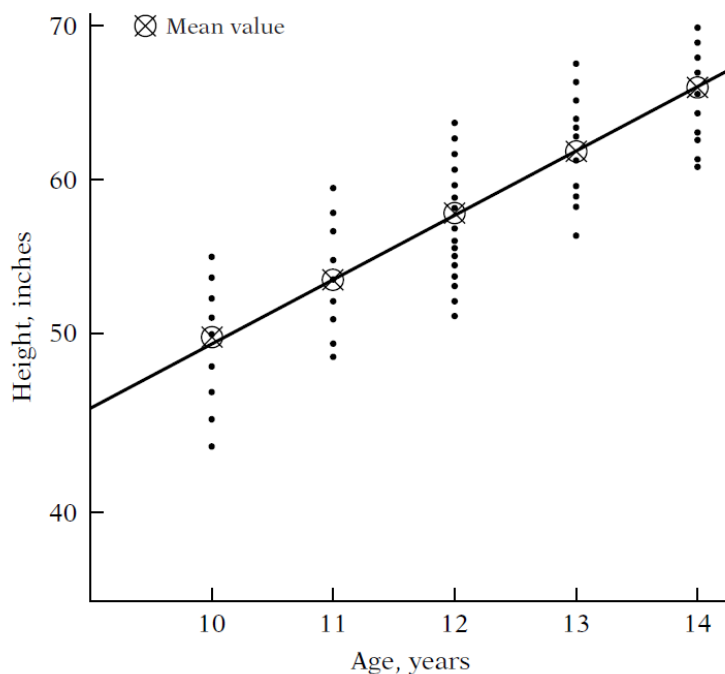


Hypothetical distribution of sons' heights corresponding to given heights of fathers.

Table 4.4 Graph of the Regression Equation 2

Reconsider Galton's law of universal regression. Galton was interested in finding out why there was a stability in the distribution of heights in a population. But in the modern view our concern is not with this explanation but rather with finding out how the average height of sons changes, given the fathers' height. In other words, our concern is with predicting the average height of sons knowing the height of their fathers. To see how this can be done, consider Figure 1.1, which is a scatter diagram, or scatter gram. This figure shows the distribution of heights of sons in a hypothetical population corresponding to the given or fixed values of the father's height. Notice that corresponding to any given height of a father is a range or distribution of the heights of the sons. However, notice that despite the variability

of the height of sons for a given value of father's height, the average height of sons generally increases as the height of the father increases. To show this clearly, the circled crosses in the figure indicate the average height of sons corresponding to a given height of the father. Connecting these averages, we obtain the line shown in the figure. This line, as we shall see, is known as the regression line. It shows how the average height of sons increases with the father's height. Consider the scattergram in Figure 1.2, which gives the distribution in a hypothetical population of heights of boys measured at fixed ages. Corresponding to any given age, we have a range, or distribution, of heights. Obviously, not all boys of a given age are likely to have identical heights. But height on the average increases with age (of course, up to a certain age), which can be seen clearly if we draw a line (the regression line) through the



Hypothetical distribution of heights corresponding to selected ages.

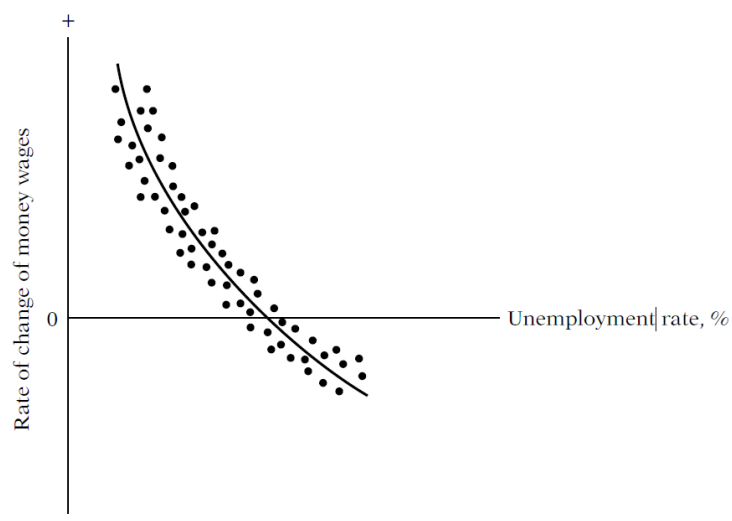
Table 4.5 Graph of the Regression Equation 4

**PART ONE: SINGLE-EQUATION REGRESSION MODELS** :circled points that represent the average height at the given ages. Thus, knowing the age, we may be able to predict from the regression line the average height corresponding to that age.

4.5.1 Turning to economic examples, an economist may be interested in studying the dependence of personal consumption expenditure on aftertax or disposable real personal income. Such an analysis may be helpful in estimating the marginal propensity to consume (MPC), that is, average change in consumption expenditure for, say, a dollar's worth of change in real income (see Figure I.3).

4.6.2 A monopolist who can fix the price or output (but not both) may want to find out the response of the demand for a product to changes in price. Such an experiment may enable the estimation of the price elasticity (i.e., price responsiveness) of the demand for the product and may help determine the most profitable price.

4.7.3 A labor economist may want to study the rate of change of money wages in relation to the unemployment rate. The historical data are shown in the scattergram given in Figure 1.3. The curve in Figure 1.3 is an example of the celebrated Phillips curve relating changes in the money wages to the unemployment rate. Such a scattergram may enable the labor economist to predict the average change in money wages given a certain unemployment rate. Such knowledge may be helpful in stating something about the inflationary process in an economy, for increases in money wages are likely to be reflected in increased prices. Unemployment. Two special features of the log-linear model may be noted: The model assumes that the elasticity coefficient between  $Y$  and  $X$ ,  $\beta_2$ , remains constant throughout (why?), hence the alternative name constant elasticity model.<sup>10</sup> In other words, as Figure 6.3b shows, the change in  $\ln Y$  per unit change in  $\ln X$  (i.e., the elasticity,  $\beta_2$ ) remains the same no matter at which  $\ln X$  we measure the elasticity. Another feature of the model is that although  $\hat{\alpha}$  and  $\hat{\beta}_2$  are unbiased estimates of  $\alpha$  and  $\beta_2$ ,  $\hat{\beta}_1$  (the parameter entering the original model) when estimated as  $\hat{\beta}_1 = \text{antilog}(\hat{\alpha})$  is itself a biased estimator. In most practical problems, however, the intercept term is of secondary importance, and one need not worry about obtaining its unbiased estimate.



Hypothetical Phillips curve.

Table 4.6 Graph of the Regression Equation 5

4.8.4 From monetary economics it is known that, other things remaining the same, the higher the rate of inflation  $\pi$ , the lower the proportion  $k$  of their income that people would want to hold in the form of money, as depicted in Figure 1.4. A quantitative analysis of this relationship will enable the monetary economist to predict the amount of money, as a proportion of their income, that people would want to hold at various rates of inflation.

4.9.5 The marketing director of a company may want to know how the demand for the company's product is related to, say, advertising expenditure. Such a study will be of considerable help in finding out the elasticity of demand with respect to advertising expenditure, that is, the percent change in demand in response to, say, a 1 percent change in the advertising budget. This knowledge may be helpful in determining the "optimum" advertising budget.

4.10.6 Finally, an agronomist may be interested in studying the dependence of crop yield, say, of wheat, on temperature, rainfall, amount of sunshine, and fertilizer.

$F$  = force,  $m_1$  and  $m_2$  are the masses of the two particles,  $r$  = distance, and

$k$  = constant of proportionality. Another example is Ohm's law, which states:

For metallic conductors over a limited range of temperature the current  $C$  is proportional to the voltage  $V$ ; that is,  $C = (1/k)V$  where  $1/k$  is the constant of

proportionality. Other examples of such deterministic relationships are Boyle's gas law, Kirchhoff's law of electricity, and Newton's law of motion. In this text we are not concerned with such deterministic relationships. Of course, if there are errors of measurement, say, in the  $k$  of Newton's law of gravity, the otherwise deterministic relationship becomes a statistical relationship. In this situation, force can be predicted only approximately from the given value of  $k$  (and  $m_1$ ,  $m_2$ , and  $r$ ), which contains errors. The variable  $F$  in this case becomes a random variable.

#### 4.5. Other Pepper

The principle of social structure is unavoidable for us such as economic system, politics or even expenditure or consumption of people in the nation. Therefore, Macroeconomic and microeconomic system plays a role from production section, consumption and they always concur. As there are so many global people or population in the country but natural resources human uses to consume are limited, this causes the problem of competition, usurpation that we need to do something and money is for buying and responding our needs. If compared to the original age of human that we hunted animal for food, villagers always shared it with the village leader. If it is other countries like Thailand, of course, the national leader

always gets shares directly and indirectly. The direct way is salary of such position but for the indirect way is corruption using people's money to be his own one. This is why the developing countries cannot really distribute income to the poor and income is always in the hand of politic authorities and one of the most important but regrettable things is that Thailand can accept the fact that the government corrupts but what is the corruption must facilitate them. Or we can simply say that they can gain advantage from such corruption. Although many countries change the system of government to democracy, they cannot solve problems these problems. For example, in Thailand, for justice and balance of economy, the government should take action about public utilities and goods and interfere in the private operation such as releasing the regulations. The government should select important goods first and plan to allocate factors for production. Furthermore, the direct and indirect economic problems can possibly happen such as problems of internal affair like system of government, national leader, acceptance or resistance. These are what media show that it is a good way to audit the work. In the past, Anti-politic government did not develop and dare to express opinions but in present, we have right and freedom and there is protection from laws. According to such problems mentioned above, no matter how it looks and what kind of economic system that is, it affects population in that country such as unemployment problem in each country and Thailand is facing this problem too. Thailand's unemployment problem is affected by external factors such as natural disasters, economic problems of neighboring countries or even problems of internal affair such as understanding of nation's leader of what to make decision to do first. Supporting the expenditure of Thailand's population causes lavishness that makes population rely on loan and they don't know how to handle with debt and finance system of how to do it. Such motivation will cause long-term effect because debts that are with people will continue to new government that it has to solve the problem. However, although problems are troubling Thailand and SMEs are affected and there are some business units collapsed and closed finally, there is a group that uses sufficiency economy applying its own ability and positive thinking. This makes them through obstacles and can live. In this research, I decide to make a study and innovation that can bring oneself to survive among the economic crisis.

#### 4.5 Problem differences

4.5.1 As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

4.2.2 As professional: economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

4.5.3 As supervisor: for both private and government sectors, receiving data, news or even knowledge about economy correctly can be applied to specify targets of effective work plan and businesses will have sustainable and stable growth.

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 1970”

#### 4.6.Scope of Study

It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation's level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys Thailand.

Studying the way to live with sufficiency and have balance income as the sufficiency economy of His Majesty the King Phubhipol who has tried to find the way of survival among the economic crisis. That is using consciousness, think carefully and do carefully and that will make use earn the living or we can buy or share things. But the heart of sufficiency economy mainly focuses on helping and developing oneself to make an income and rely on less external factor such as debt. Physical and mental problem are the great problems especially in the capital of Thailand. Stress becomes the major problem of capital's society. To solve such problem is like the proverb “God helps those who help themselves” like the example of 5 entrepreneurs who are successful that will be mentioned in this study. Microeconomics is economics in sub-type of economic system consisting of household and business unit such as studying consumer's behavior and production unit's behavior which is the consideration of economic system's sub-type and it is related to how to allocate resource of demand and supply and how to set the price in markets etc. Macroeconomics is study economic in aggregate of every business unit such as studying about national income, nation's employment, finance and banking, government's finance, international trade and finance as well as economic development that are overall activities of the nation.

4.6.1 Empirical Approach : It is the way to study by observing from economic phenomena such as looking from the tendency in the past and further prediction, this ,method has no certain principle (2).

4.6.2. Analytical Approach : It is the study to find the answer of analytical reason by starting from presumption or certain specification and finding the answer that is clearer than the first approach.

4.6.3 (Positive Economic) : It is the study



4.6.4 Economic behavior that actually happens about how it works with no involvement of personal feeling or no realization of target.

4.6.5 Normative Economy) : It is the study of

4.6.6 Should-be economy or sometimes, it is called “Welfare Economic”

It’s about the policy, goal and related to personal feeling that focus on what to be and how it should be.

#### 4.5. General Analysis

For Studying economics, what the researcher always finds is economics theory. Everyone knows that theory consists of (1) variable definition (2) presumption (3) assumption and (4) prediction that have regulations to create theory by separating into 2 types. To follow the objective of the researcher and get the answer of this study, the researcher analyzes and considers

- Basic study of strategy of institutes that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

- The change of economic system during 2012- the first quarter of Thailand’s economy in 2013

- Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.

- Logical and Hypothesis Analysis is the procedure of specifying relation of variables and explaining such relation by using logic reason. Assumption such as national income specification that can be assumed as closed economics etc is the specification before and after analyzing according to the hypothesis. Therefore, the theory will be able to explain the phenomena and relations of variables to predict how good economic event. So, it depends on the hypothesis of how much it is in accordance with problems and real situations. For one more thing, to find the conclusion to create the theory is the way to indicate relation of economic variables that may be in form of math equation like regressive equation to find the tendency of what will happen. Besides, the average of t-test will be applied as equipment in this study. However, this study result covers only the year the researcher studied that is 2013 not including other status because economic analysis has limitation such as time, season and current incidence.

#### 4.6 Study of Unemployment

are many businesses all around the world that are affected by the economic crisis. Some have to be closed and some have not so good condition. The way to solve the problem for business survival is various but one that is related to “human” is what many sectors worry and do not want it happen is “layoff” especially in the

country where this crisis is originated like USA. This causes high rate of unemployment up to 6.5% in previous October and they believe that it will be up to 8% in 2009. "Layoff" is the most popular way to solve business problem which is involved in "human" in USA. Business Week reported the survey result of Wattson Wyatt Worldwide in the middle of October with 248 entrepreneurs about the way used to face with economic problems in next year. Most are big businesses with thousands of workers. This can be concluded that 26% is likely to lay worker off or reduce the rate of man power to solve the economic crisis. Secondly, (25%) uses the way that workers have to take responsibility of their own health insurance as well as stop more employment. The rest will be about not increasing annual salary (4%) reducing staff's salary (4%) and the last way is not quite popular (only 2 %) is cancelling annual holidays of staffs. Economic and financial crisis in USA that is expanding to become economic crisis in many countries is like "Domino" that when a piece of domino falls, the nearby pieces will fall in case enough proximity. For Thailand, the trade value with foreign countries is considered high proportion (nearly 70%) especially with the country where this crisis is originated like USA with trade value in 3rd rank of Thailand. Lack of fluidity that Thai businesses are facing is the result of decreasing need in goods and service. To gain from financial institutes and foreign sectors that invest in Thailand began to affect business that cannot move on and finally around 10,000 businesses are closed and many factories are likely to be shut continually. This caused in 8 months (January-August 2008), around 100,000 employees were laid off or 15,000 people/month (data from Ministry of Labor and Social Welfare) and there was no exception for some government institutes that might reduce the number of staffs suddenly in such situation... However, number of the unemployed, Ministry of Labor identified that it was in "non-crisis" condition and it can be solved. The researcher makes a hypothesis that it may be the result of the rate of unemployment in Thailand for only 1.6% (First quarter January-March 2008) (for 600,000 people). It was considered so little when compared to the rate of unemployment in USA. However, Thailand is still in economic crisis such as rising Baht and the countries that are importer have economic problems so they reduce import and turn to depend on their own products. The researcher assumes that decreasing export and investment may cause the business unit gain loss and that leads to unemployment in 1997.

4.6.1 Study about readiness of new entrepreneurs to replace unemployment by studying that Those who have high education are likely to do a salary job as staff or employee while those who have not quite high education do a freelance job or are entrepreneurs and they don't have knowledge enough to manage and develop their businesses to have capacity under free trade system of new era and in the age technology plays a role as new strategy to strengthen SMEs. So, Thailand has to focus on supporting people with high education, knowledge, ability to become entrepreneurs. Strengthening new entrepreneurs is important to build up new businesses and new entrepreneurs in economic system of the nation as well as

support the business to grow and become stronger respectively. This will make the nation's economy have high immunity continually.

4.6.2 Study about Gross National Product (GNP), Gross Domestic Product (GDP), Net National Product (NNP), Gross national product (GNP) used as the measure of economic product in any region in term of financial fund in some moment. Gross product is the way to measure income and product of the nation calculated from goods value and final service produced in a period by using resources people own. Gross domestic product (GDP) is the way to calculate income from production and service of the nation in each year. Gross domestic product is the indicator of quality of life standard of people in the country calculated by final goods and service value made in the nation in some periods without realizing the resource to produce goods and service will be resources of citizen or foreigners. On the other hand, citizen's resource that is produced in foreign countries are not counted in gross domestic product consisting of number of consumption + investment + government (spent money) +(export – import). To summarize, GDP will calculate final goods and service value in some periods only in the nation but GNP is different in term of combining production in foreign countries that take our materials to use. Net Nation Product : NNP) means gross value in market price of final goods and service the nation produces by using production factors in some periods after deducting permanent depreciation of properties. Normally, it will be measure in 1 year. NNP can be calculated from this formula:  $NP = GNP - \text{Permanent depreciation of properties of nation's account}$ .

-For studying economics, it can help the researcher understand economic phenomena and macroeconomic analysis much clearer.

- For analysis of nation's economic condition, it is the indicator of nation's economics' condition and it indicates income distribution as well as standard of living and level of people's living.

-To specify economic policy of the nation is important tool to arrange the policy or plan the economy of the nation in the future. It is used to set policy of collecting tax of the government of both direct and indirect tax. The number of national income will indicate the capacity to pay tax of people in different groups. It is used to compare the economic status of the nation and other countries that will make us see the economic status of the nation compared to others.

#### 4.7 .Current Information

The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released. It includes world politics balance like USA

with problem about Islam, overlapping territorial claims area between China and Japan, Unemployment issue in USA and Europe, fluctuation of exchange rate and natural disasters. For domestic negative factor, it depends on politics stability especially protest. If it last so long and becomes worse, it will affect economic status and we have to keep an eye on fluctuation of exchange rate that Thai Baht becomes highly rising affecting the export. Natural disasters, lack of labor in some industries and importantly, the problem of increasing capital caused by adjusting wage into 300 Baht/day including the increase of energy price of oil, electricity, transport fee etc.

"Thai economy in next year still has high risk; the government must take action to use financial policy to motivate the economy. This includes using budget deficit for 300,000 million Baht, using loan act 350,000 million Baht to handle with problem of flood. Everything must be done in first half of year 2013 balancing interest rate suitably by predicting that the interest will decrease or be balanced for 2.5-3.25%. And it is necessary to focus on increasing income and decrease cost of living for people to rouse purchasing power such as 300-Baht wage, 15,000-Baht salary for undergraduate, rice pawn. If the government can do it quickly, it's believed that in 12013, the government will grow up to 4.5% with the frame 4-5%. Furthermore, the forecast center also estimates that the export in 2013 will have value \$ 243,000 million increasing 7.4% from this year with predicted growth 3.5% which costs \$226,000. The import that cost \$241,000 USD increases 10.1% from 2012 with predicted value \$ 219,000 USD. It is balance at \$2,331 million USD, balance on current account runs deficit for \$5,089 million USD, rate of inflation is 3.58%, and rate of exchange is 30 Baht / 1 USD. For tourism, it's expected that there will be 22 million tourists visiting Thailand increasing 7.5-8% with income 996,000 million Baht or maybe it reaches 1 trillion Baht increasing 19-19.5%. the factors that will dive Thai Economy to increasingly expand comes from the expansion of domestic economy from high need such as ICT businesses that if they already have certificate of 3G, it will grow not less than 30%. For construction business, it's expected to increase as the drive force after the situation of great flood; people have to repair and the construction rate becomes high. For insurance- life insurance business, it will increase 12-15% especially insurance against loss that will increase 20% because Thai people start realizing the flood problem and focus on saving and for mobile spare part business; it is expected to expand 120% as the result of first-car policy<sup>17</sup>.

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<https://www.google.com/search?q=Thai+economy+in+next+year+still+has+high+risk%3B+the+government+must+take+action+to+use+financial+policy+to+motivate+the+economy.+This+includes+using+budget+deficit+for+300%2C000+million+Baht%2C+using+loan+act+350%2C000+million+Baht+to+handle+with+problem+of+floo+site%3Ahttp%3A%2F%2Fowl.english.purdue.edu>

For the factors of international trade, exporting will still expand but it's not much. It is expected that it will grow 0-5% and the products that will have high expansion are jewelry and ornament business, clothing business etc. while cassava will have 5-10% expansion. For products that are predicted to have slow and shrinking export are air freight business, frozen seafood, furniture and rubber etc. as the result of economic problems in countries that are essential markets like USA, Europe and Japan accompanying with 300-Baht wage policy. This causes entrepreneurs have burden of higher capital and in some businesses; they face stricter trade terms problems. "Next year, the economic motivator is investment that will focus on importing goods from neighboring countries that have lower capital than Thai for more domestic production including the increase of efficiency of production power to increase goods value. This will make the import next year higher than the export that causes no damage" However, the risk in 2013 that is still concerned is personal risk growing too fast that may lead to non-performing loan (NPL) and it is what the government should well prepare. For the rate of exchange, Thai Baht is still similar to the previous year that is trivially rising as USD is high while Euro descended causing too much Thailand's international reserve. Therefore, there must be the policy supporting Thai investor to invest more internationally. Just take a look for international trade or export section; what the Ministry of Commerce is doing early leads to the meeting with Office of International Trade Promotion (Commercial Ambassador) with Mr. Boonsong Teriyaphirom, minister of commerce, as a president to think about the situation of exporting and its target in 2013. The department prepares to make a work plan that will drives exporting in 2013 to be higher than the estimation of many sectors of only 5%. Before this, there was a meeting to listen to opinions of private sectors in every industry and the proposal and situation evaluation from private sector will be supported the work plan and exporting target specification in 2013. However, the production factors that affect exporting in next year are unclear recovery of world economy and Eurozone debt problem but for USA after economic election, it may recover from the measure of motivating consumption and unemployment reduction. The work plan to drive exporting focuses on increasing targeted markets, capacity of Thai businesses, importing materials to increase the goods value for Thai exporting, driving food and food standard leader, supporting SME development, branding of Thai people and developing goods for environment. For 8 missions the Department gives importance to operate in 2013 are as follows.

1. Expand trade and investment with ASEAN member countries and ASEAN allies under AEC.

2. Thai Food to World Food and Halal Food.

3. Develop products and services to support green economy

4. Increase capacity of competitiveness with sustainability, reduce capital, increase production efficiency and seek for materials and production factors
5. Develop SMEs entrepreneurs to become international trade market
6. Value Thai products and services as well as OTOP products
7. Create good image to Thai products, service and entrepreneurs to make Thai image look reliable and accepted. Support Thai entrepreneurs to utilize Electronics commerce.

The principle of social structure is unavoidable for us such as economic system, politics or even expenditure or consumption of people in the nation. Therefore, Macroeconomic and microeconomic system plays a role from production section, consumption and they always concur.

As there are so many global people or population in the country but natural resources human uses to consume are limited, this causes the problem of competition, usurpation that we need to do something and money is for buying and responding our needs. If compared to the original age of human that we hunted animal for food, villagers always shared it with the village leader. If it is other countries like Thailand, of course, the national leader always gets shares directly and indirectly. The direct way is salary of such position but for the indirect way is corruption using people's money to be his own one. This is why the developing countries cannot really distribute income to the poor and income is always in the hand of politic authorities and one of the most important but regrettable things is that Thailand can accept the fact that the government corrupts but what is the corruption must facilitate them. Or we can simply say that they can gain advantage from such corruption. Although many countries change the system of government to democracy, they cannot solve problems these problems. For example, in Thailand, for justice and balance of economy, the government should take action about public utilities and goods and interfere in the private operation such as releasing the regulations. The government should select important goods first and plan to allocate factors for production. Furthermore, the direct and indirect economic problems can possibly happen such as problems of internal affair like system of government, national leader, acceptance or resistance. These are what media show that it is a good way to audit the work. In the past, Anti-politic government did not develop and dare to express opinions but in present, we have right and freedom and there is protection from laws. According to such problems mentioned above, no matter how it looks and what kind of economic system that is, it affects population in that country such as unemployment problem in each country and Thailand is facing this problem too. Thailand's unemployment problem is affected by external factors such as natural disasters, economic problems of neighboring countries or even problems of internal affair such as understanding of nation's leader of what to make decision to do first.

Supporting the expenditure of Thailand's population causes lavishness that makes population rely on loan and they don't know how to handle with debt and finance system of how to do it. Such motivation will cause long-term effect because debts that are with people will continue to new government that it has to solve the problem. However, although problems are troubling Thailand and SMEs are affected and there are some business units collapsed and closed finally, there is a group that uses sufficiency economy applying its own ability and positive thinking. This makes them through obstacles and can live. In this research, I decide to make a study and innovation that can bring oneself to survive among the economic crisis.

## 9. Problem differences

9.1 As students who play a role and are the hope of the society especially in developing countries, Economics can help students understand the economic problem and phenomenon and have knowledge to solve problems in routine life of both themselves and the nation.

9.2 As professional: economists who have knowledge of Economics can utilize it as equipment to analyze and predict the tendency of economic condition, this can make both business and government sectors propose the suggestion for further application.

10.3 As supervisor: for both private and government sectors, receiving data, news or even knowledge about economy correctly can be applied to specify targets of effective work plan and businesses will have sustainable and stable growth.

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 1970”

## 5. Description

It is studying original economic system and the one that is facing failure caused by the micro and macro level problems that are village, sub-district, province and nation's level. Furthermore, there may be expansion to be the world-level problem especially building public debt in Thailand that can be obviously seen that it is likely to have bubble phenomena and it will become what destroys Thailand.

Studying the way to live with sufficiency and have balance income as the sufficiency economy of His Majesty the King Phubhipol who has tried to find the way of survival among the economic crisis. That is using consciousness, think carefully and do carefully and that will make use earn the living or we can buy or share things. But the heart of sufficiency economy mainly focuses on helping and developing oneself to make an income and rely on less external factor such as debt. Physical and mental problem are the great problems especially in the capital of Thailand. Stress becomes the major problem of capital's society. To solve such problem is like the proverb

“God helps those who help themselves” like the example of 5 entrepreneurs who are successful that will be mentioned in this study. Microeconomics is economics in sub-type of economic system consisting of household and business unit such as studying consumer’s behavior and production unit’s behavior which is the consideration of economic system’s sub-type and it is related to how to allocate resource of demand and supply and how to set the price in markets etc. Macroeconomics is study economic in aggregate of every business unit such as studying about national income, nation’s employment, finance and banking, government’s finance, international trade and finance as well as economic development that are overall activities of the nation.

1. Empirical Approach : It is the way to study by observing from economic phenomena such as looking from the tendency in the past and further prediction, this method has no certain principle (2).

2. Analytical Approach : It is the study to find the answer of analytical reason by starting from presumption or certain specification and finding the answer that is clearer than the first approach.

3. Positive Economic) : It is the study

4. Economic behavior that actually happens about how it works with no involvement of personal feeling or no realization of target.

5. Normative Economy: It is the study of

6. Should-be economy or sometimes, it is called “Welfare Economic”

It’s about the policy, goal and related to personal feeling that focus on what to be and how it should be.

## 6. General Analysis

For Studying economics, what the researcher always finds is economics theory. Everyone knows that theory consists of (1) variable definition (2) presumption (3) assumption and (4) prediction that have regulations to create theory by separating into 2 types. To follow the objective of the researcher and get the answer of this study, the researcher analyzes and considers

-Basic study of strategy of institutes that are successful of what to make them succeed by interviewing those companies to get fundamental answers.

-The change of economic system during 2012- the first quarter of Thailand’s economy in 2013

-Success of entrepreneurs who are interviewed with empirical approach including how to set sections and develop concepts to become successful.



- Logical and Hypothesis Analysis is the procedure of specifying relation of variables and explaining such relation by using logic reason

Assumption such as national income specification that can be assumed as closed economics etc is the specification before and after analyzing according to the hypothesis. Therefore, the theory will be able to explain the phenomena and relations of variables to predict how good economic event. So, it depends on the hypothesis of how much it is in accordance with problems and real situations. For one more thing, to find the conclusion to create the theory is the way to indicate relation of economic variables that may be in form of math equation like regressive equation to find the tendency of what will happen. Besides, the average of t-test will be applied as equipment in this study. However, this study result covers only the year the researcher studied that is 2013 not including other status because economic analysis has limitation such as time, season and current incidence.

There are many businesses all around the world that are affected by the economic crisis. Some have to be closed and some have not so good condition. The way to solve the problem for business survival is various but one that is related to "human" is what many sectors worry and do not want it happen is "layoff" especially in the country where this crisis is originated like USA. This causes high rate of unemployment up to 6.5% in previous October and they believe that it will be up to 8% in 2009. "Layoff" is the most popular way to solve business problem which is involved in "human" in USA. Business Week reported the survey result of Watson Wyatt Worldwide in the middle of October with 248 entrepreneurs about the way used to face with economic problems in next year. Most are big businesses with thousands of workers. This can be concluded that 26% is likely to lay worker off or reduce the rate of man power to solve the economic crisis. Secondly, (25%) uses the way that workers have to take responsibility of their own health insurance as well as stop more employment. The rest will be about not increasing annual salary (4%) reducing staff's salary (4%) and the last way is not quite popular (only 2 %) is cancelling annual holidays of staffs.

Economic and financial crisis in USA that is expanding to become economic crisis in many countries is like "Domino" that when a piece of domino falls, the nearby pieces will fall in case enough proximity. For Thailand, the trade value with foreign countries is considered high proportion (nearly 70%) especially with the country where this crisis is originated like USA with trade value in 3rd rank of Thailand. Lack of fluidity that Thai businesses are facing is the result of decreasing need in goods and service. To gain from financial institutes and foreign sectors that invest in Thailand began to affect business that cannot move on and finally around 10,000 businesses are closed and many factories are likely to be shut continually. This caused in 8 months (January-August 2008), around 100,000 employees were laid off or 15,000 people/month (data from Ministry of Labor and Social Welfare) and there was no exception for some government institutes that might reduce the number

of staffs suddenly in such situation... However, number of the unemployed, Ministry of Labor identified that it was in “non-crisis” condition and it can be solved. The researcher makes a hypothesis that it may be the result of the rate of unemployment in Thailand for only 1.6% (First quarter January-March 2008) (for 600,000 people). It was considered so little when compared to the rate of unemployment in USA. However, Thailand is still in economic crisis such as rising Baht and the countries that are importer have economic problems so they reduce import and turn to depend on their own products. The researcher assumes that decreasing export and investment may cause the business unit gain loss and that leads to unemployment in 2013.

Study about readiness of new entrepreneurs to replace unemployment by studying that .Those who have high education are likely to do a salary job as staff or employee while those who have not quite high education do a freelance job or are entrepreneurs and they don't have knowledge enough to manage and develop their businesses to have capacity under free trade system of new era and in the age technology plays a role as new strategy to strengthen SMEs. So, Thailand has to focus on supporting people with high education, knowledge, ability to become entrepreneurs. Strengthening new entrepreneurs is important to build up new businesses and new entrepreneurs in economic system of the nation as well as support the business to grow and become stronger respectively. This will make the nation's economy have high immunity continually. Study about Gross National Product (GNP), Gross Domestic Product (GDP), Net National Product (NNP), Gross national product (GNP) used as the measure of economic product in any region in term of financial fund in some moment. Gross product is the way to measure income and product of the nation calculated from goods value and final service produced in a period by using resources people own. Gross domestic product (GDP) is the way to calculate income from production and service of the nation in each year. Gross domestic product is the indicator of quality of life standard of people in the country calculated by final goods and service value made in the nation in some periods without realizing the resource to produce goods and service will be resources of citizen or foreigners. On the other hand, citizen's resource that is produced in foreign countries are not counted in gross domestic product consisting of number of consumption + investment + government (spent money) +(export – import). To summarize, GDP will calculate final goods and service value in some periods only in the nation but GNP is different in term of combining production in foreign countries that take our materials to use. Net Nation Product : NNP) means gross value in market price of final goods and service the nation produces by using production factors in some periods after deducting permanent depreciation of properties. Normally, it will be measure in 1 year. NNP can be calculated from this formula:  $NP = GNP - \text{Permanent depreciation of properties of nation's account.}$

-For studying economics, it can help the researcher understand economic phenomena and macroeconomic analysis much clearer.

- For analysis of nation's economic condition, it is the indicator of nation's economics' condition and it indicates income distribution as well as standard of living and level of people's living.

-To specify economic policy of the nation is important tool to arrange the policy or plan the economy of the nation in the future. It is used to set policy of collecting tax of the government of both direct and indirect tax. The number of national income will indicate the capacity to pay tax of people in different groups. It is used to compare the economic status of the nation and other countries that will make us see the economic status of the nation compared to others.

Current Information :The negative factor that affects Thai economy in 2013 comes from uncertainty of world economy of both public debt in Europe, US economic problems that are still non-recovered and it is facing fiscal cliff which is the economic situation of USA suddenly and severely losing financial driving force. Although the 3rd measure of Quantitative Easing (QE3) is released. It includes world politics balance like USA with problem about Islam, overlapping territorial claims area between China and Japan, Unemployment issue in USA and Europe, fluctuation of exchange rate and natural disasters. For domestic negative factor, it depends on politics stability especially protest. If it last so long and becomes worse, it will affect economic status and we have to keep an eye on fluctuation of exchange rate that Thai Baht becomes highly rising affecting the export. Natural disasters, lack of labor in some industries and importantly, the problem of increasing capital caused by adjusting wage into 300 Baht/day including the increase of energy price of oil, electricity, transport fee etc. "Thai economy in next year still has high risk; the government must take action to use financial policy to motivate the economy. This includes using budget deficit for 300,000 million Baht, using loan act 350,000 million Baht to handle with problem of flood. Everything must be done in first half of year 2013 balancing interest rate suitably by predicting that the interest will decrease or be balanced for 2.5-3.25%. And it is necessary to focus on increasing income and decrease cost of living for people to rouse purchasing power such as 300-Baht wage, 15,000-Baht salary for undergraduate, rice pawn. If the government can do it quickly, it's believed that in 12013, the government will grow up to 4.5% with the frame 4-5%

Furthermore, the forecast center also estimates that the export in 2013 will have value \$ 243,000 million increasing 7.4% from this year with predicted growth 3.5% which costs \$226,000. The import that cost \$241,000 USD increases 10.1% from 2012 with predicted value \$ 219,000 USD. It is balance at \$2,331 million USD, balance on current account runs deficit for \$5,089 million USD, rate of inflation is 3.58%, and rate of exchange is 30 Baht / 1 USD. For tourism, it's expected that there

will be 22 million tourists visiting Thailand increasing 7.5-8% with income 996,000 million Baht or maybe it reaches 1 trillion Baht increasing 19-19.5%. The factors that will drive Thai Economy to increasingly expand comes from the expansion of domestic economy from high need such as ICT businesses that if they already have certificate of 3G, it will grow not less than 30%. For construction business, it's expected to increase as the drive force after the situation of great flood; people have to repair and the construction rate becomes high. For insurance- life insurance business, it will increase 12-15% especially insurance against loss that will increase 20% because Thai people start realizing the flood problem and focus on saving and for mobile spare part business; it is expected to expand 120% as the result of first-car policy. For the factors of international trade, exporting will still expand but it's not much. It is expected that it will grow 0-5% and the products that will have high expansion are jewelry and ornament business, clothing business etc. while cassava will have 5-10% expansion. For products that are predicted to have slow and shrinking export are air freight business, frozen seafood, furniture and rubber etc. as the result of economic problems in countries that are essential markets like USA, Europe and Japan accompanying with 300-Baht wage policy. This causes entrepreneurs have burden of higher capital and in some businesses; they face stricter trade terms problems. "Next year, the economic motivator is investment that will focus on importing goods from neighboring countries that have lower capital than Thai for more domestic production including the increase of efficiency of production power to increase goods value. This will make the import next year higher than the export that causes no damage" However, the risk in 2013 that is still concerned is personal risk growing too fast that may lead to non-performing loan (NPL) and it is what the government should well prepare. For the rate of exchange, Thai Baht is still similar to the previous year that is trivially rising as USD is high while Euro descended causing too much Thailand's international reserve. Therefore, there must be the policy supporting Thai investor to invest more internationally. Just take a look for international trade or export section; what the Ministry of Commerce is doing early leads to the meeting with Office of International Trade Promotion (Commercial Ambassador) with Mr. Boonsong Teriyaphirom, minister of commerce, as a president to think about the situation of exporting and its target in 2013. The department prepares to make a work plan that will drive exporting in 2013 to be higher than the estimation of many sectors of only 5%. Before this, there was a meeting to listen to opinions of private sectors in every industry and the proposal and situation evaluation from private sector will be supported the work plan and exporting target specification in 2013. However, the production factors that affect exporting in next year are unclear recovery of world economy and Eurozone debt problem but for USA after economic election, it may recover from the measure of motivating consumption and unemployment reduction.

The work plan to drive exporting focuses on increasing targeted markets, capacity of Thai businesses, importing materials to increase the goods value for Thai

exporting, driving food and food standard leader, supporting SME development, branding of Thai people and developing goods for environment.

For 8 missions the Department gives importance to operate in 2013 are as follows.

1. Expand trade and investment with ASEAN member countries and ASEAN allies under AEC.

2. Thai Food to World Food and Halal Food.

3. Develop products and services to support green economy

4. Increase capacity of competitiveness with sustainability, reduce capital, increase production efficiency and seek for materials and production factors

5. Develop SMEs entrepreneurs to become international trade market

6. Value Thai products and services as well as OTOP products

7. Create good image to Thai products, service and entrepreneurs to make Thai image look reliable and accepted

8. Support Thai entrepreneurs to utilize Electronics commerce.

Conclusions :According to our observation and survey in Wichakarn Fair (24-25 July 1970) at Queen Sirikit National Convention Center, Thailand, most young people prefer jobs with more independence than young people years ago. New graduates are longing to work in well-known companies with good fringe benefits. However, all these things have gone from Thai society. From modern young people and careers survey, the most popular jobs for new graduates are in the following fields:

1. Communication, to be precise, mass communication and public relation! This field is among one of the most famous that modern young people want to. Be it reporter, writer, receptionist, they are about searching for updates and new moves to let the world know. These jobs are thrilling and challenging, unlike doing boring, routine work every day. No wonder why mass communication and public relation are everyone's dream jobs! As soon as positions are available, they are occupied in no time!

2. Service mind is our priority! Nowadays, sky-high servicing jobs like flight attendants are still popular around young people. Servicing career is not all about doing the same job. Outdoor catering is very popular among advertising agencies, organizers, and home parties to serve modern lifestyle! This servicing career is another thrilling, challenging lifestyle. If food is involved and you know how to make food look gorgeously mouthwatering, catering will grant you hefty some!

3. Plan and organize activities. These are another popular career for modern people, be it working in organizing companies, making debuts for new products at

various places, or preparing everything from planning to countdown as freelance planners. There are various kinds of events to plan, commercial, birthday parties or even wedding. It is all about new, fresh, creative, initiative, fast and modern. If you have ideas and know how to make them true, try this!

4. Design miracle of art! If you know how to design and craft beautiful piece of art from ordinary stuff, you can do this job! Designer is one of the coolest jobs, especially jewelry and decorations. These are girls' dreams! Aside from creativity and skill, patience is also required to make your work outstanding and shining.

5. IT jobs for modern life! If you're not interested in IT, you're really out-of-date. If you can make IT your job, you're lucky. IT is all around us! Programmers, system analysts, computer administrators, these careers can bring you astronomical sum and make you trendy! If you're good at IT stuff, try this field. Update your knowledge and upgrade your life!

6. Talkative and hardworking? Marketing and sales personnel is still one of the top 10 careers for young people. It's not all about hefty sum, but also interesting, thrilling and challenging work! If you can take challenge and pressure from rival, this is your job!

7. Advertiser: show yourself and your wild side! Good advertisers dare to show the world their wildest ideas and think differently! Young people want this job, so the world may accept their true, wildest identity. Many advertisers have climbed up to be great film directors. If you're sure to have wild, cool ideas, come and join, declare independence for your ideas!

8. Be your master! Nobody can deny that they don't want their own business. We all yearn to work for ourselves. Many young people own their business early. Many people have sufficient money, while others dare to invest and lose. Sacrifice your savings and buy your dream! Your only requirements are knowledge in what you want to do and perseverance to work harder than working for others. However, many people prefer working on their own and dare to invest all their saving for their dream business.

9. Specialists in particular fields are another well-paid job. Not just anybody can do this. You must complete your study in the specific field. These careers are all about other people's life, be it doctor, nurse, lawyer, engineer, pilot. People's life is on your hand, especially for doctor. These (forever) well-paid jobs come with great risk and responsibility. People in these fields have usually showed clear sign since high school, as they need to be well-prepared in university. If you want to change your mind to do these jobs, it's too late. Specialists in particular fields will always be among the 10 most popular jobs.

10. Freelancer is one of the most popular jobs for modern people. They live freely, belong to no boss and work on one project at a time. We initially knew freelancer from fashion field, be it hairdressers, makeup artist or photographer. Later, writers write for many publishers that they can become freelancers. Freelancing goes around in many fields, be it architecture, designer, receptionist, advertiser, cyber salesperson or even fortune tellers. Freelancing has become more and more popular. Though money depends on many things, working without restriction and pressure is their greatest pleasure. In conclusion, according to the study and literature, modern Thai people change their preference, from working in big company to working on what they love and be their own master. According to my observation and surveys answered by seniors from Chulalongkorn, Thammasart, Mahidol, Srinakharinwirot, Chiang Mai and Khon Kaen University, I found out that 75% of new graduates wanted to be their own masters. According to 50 copies of our survey to Thailand's leading universities, new graduates wanted to work independently on their own, prefer planning their work to being hired. This made me happy because I want to tell Thai people that economic growth or decline won't really bother us individually as long as we work hard, endure and focus on our goal, and we will be happy, physically and mentally, and we will grow up. This is my last word of my thesis. Conclusions. According to our observation and survey in Wichakarn Fair (24-25 July 1970) at Queen Sirikit National Convention Center, Thailand, most young people prefer jobs with more independence than young people years ago. New graduates are longing to work in well-known companies with good fringe benefits. However, all these things have gone from Thai society. From modern young people and careers survey, the most popular jobs for new graduates are in the following fields:

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freelancer from fashion field, be it hairdressers, makeup artist or photographer. Later, writers write for many publishers that they can become freelancers. Freelancing goes around in many fields, be it architecture, designer, receptionist, advertiser, cyber salesperson or even fortune tellers. Freelancing has become more and more popular. Though money depends on many things, working without restriction and pressure is their greatest pleasure. In conclusion, according to the study and literature, modern Thai people change their preference, from working in big company to working on what they love and be their own master. According to my observation and surveys answered by seniors from Chulalongkorn, Thammasart, Mahidol, Srinakharinwirot, Chiang Mai and Khon Kaen University, I found out that 75% of new graduates wanted to be their own masters. According to 50 copies of our survey to Thailand's leading universities, new graduates wanted to work independently on their own, prefer planning their work to being hired. This made me happy because I want to tell Thai people that economic growth or decline won't really bother us individually as long as we work hard, endure and focus on our goal, and we will be happy, physically and mentally, and we will grow up. This is my last word of my thesis.

## Chapter 5

### Strategy and Techniques

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system”: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”. And Strategy Model of Administration. The New Service Model (NSM) process began in Fall 2007, when a group was convened to advise the University Librarian on priorities and directions for "new service models" that would build on the Library's traditional strengths (including the depth of our collections and the quality of our services) to ensure that Illinois remain as much a leader in the provision of library services in the twenty-first century as it was throughout the twentieth. Based on a synthesis of ideas from the Library faculty and staff, strategic priorities and input from the campus community, the New Service Model (NSM) Program involves nearly two dozen projects to be pursued over the next few years, as articulated in Library Services for the 21st Century at the University of Illinois at Urbana-Champaign

5.1 Strategy Model of Administration Export Import Co.ltd.

5.1.1 Strategy Model of Administration. Export Company Limited.



Table 5.1 Table of 5 Force Eeffet

Business to us that our company was founded in 1989 and it is the largest Polish producer of dairy products. The company's head office is in Warsaw, while production of yoghurt, cream cheese and milk desserts. Our products are available in such countries as the USA, England, Ireland, Portugal, Slovakia, Hungary, Russia, Lithuania and Estonia. Out of concern for the quality of offered goods and their safety. Our company has implemented and maintains a system of Hazard Analysis and Critical Control Points (HACCP) and a quality management system according to the international ISO 9001 norm. Our products so popular among consumers, which is confirmed by numerous medals and distinctions granted to our products during various competitions, fairs and exhibitions.

5.1.2 Golas :Now we found the big demand for daily product in Asia in this area the market is booming the consumption of daily product in Asia was increase and next ten years will be double. We came to THAIFEX to look for a business partner to start our business here. We offer the long life shelf product, the best raw material and high quality standard. We think in Thailand we should make a similar market inquire product like in Europe because we think Thai people should get the same quality like we have in Europe also we should offer the competitive price and also the innovative product just develop the market to be additional value core the Thai customers. A.P. World History Document Based Questions (DBQ) are designed to test students' abilities to think like a historian – to analyze documents in reference to a specific world historical context. They are not designed to test the student's knowledge about any particular event in world history. Thus students can score high on the essay without specifically developing a historical essay on the event in question (in this case the Spanish Civil War). In fact, they can score high without even knowing about the event in question. Again – it is about analyzing the documents. That being said, the more a student does know about the event, the better they can analyze the documents and the stronger the essay should be. Students writing to this prompt should be able to recognize that there were several reactions to the Spanish Civil War from people living in other countries. The most obvious is that they took sides – either supporting the Republican government or the Nationalist (Fascist) rebels. Other responses can group the documents by such groupings as providing material support, actually fighting, trying to prevent people from providing support, neutrality, supporting democracy, fighting fascism, etc. A successful essay completes the A.P. World History rubric which is attached at the end of this lesson plan. The rubric has two parts – Core Points (0 - 7) and Expanded Core Points (0 – 2) for a total of 9 possible points.

### 5.1.3 Successful of Business

Thesis = 1 point. Students must have a thesis that answers the question. The thesis must show that they recognize at least two international reactions to the Spanish

Civil War. The reactions must be specific; thus “positive” and “negative” does not count as a reaction. Students must use all of the documents = 1 point. They should show this by indicating how the document can be grouped with another or individual analysis. Students not using all of the documents or misinterpreting more than one document lose this point. Students must use 9 or 10 of the documents as evidence to get 2 points and at least 8 to get 1 point. Using a document as evidence requires the student to actually analyze some aspect of the document in relation to the question. Merely quoting or citing the document does not count as evidentiary use. Students must indicate the point of view (perspective) of at least two of the documents = 1 point. Point of view can either be motive, bias, tone, etc. In other words why did the author say, write this etc., or “the author seems to be angry with the . . .” as an example of tone. Students must have at least two groupings of the documents = 1 point. Analysis of a single document (stand alone) is not a grouping. There must be at least two documents to make a group. Documents can be used in more than one grouping. Students must provide rationale for an additional document – what “voice” is missing from this collection that could help answer this question = 1 point. Students must explain why the document is needed, not just from who. Expanded core points can be given for:

- Has a clear, analytical and comprehensive thesis
- Uses documents persuasively as evidence
- Shows careful and insightful analysis of the documents
- Analyzes point of view or bias consistently and effectively
- Analyzes the documents in additional ways – groupings, comparisons, synthesis
- Brings in relevant “outside” historical content
- Identifies more than one type of appropriate additional documents(s) with explanations

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013”. Five interviews with five successful entrepreneurs under the 2513 crisis. Mr. Jarostaw Brantnicki Export Director Bakoma Sp. Mr. Jarostaw talk about his business to us that our company was founded in 1989 and it is the largest Polish producer of dairy products. The company’s head office is in Warsaw, while production of yoghurt, cream cheese and milk desserts. Our products are available in such countries as the USA, England, Ireland, Portugal, Slovakia, Hungary, Russia, Lithuania and Estonia. Out of concern for the quality of offered goods and their safety. Our company has implemented and maintains a system of Hazard Analysis and Critical Control Points (HACCP) and a quality management system according to the international ISO 9001 norm. Our products so popular

among consumers, which is confirmed by numerous medals and distinctions granted to our products during various competitions, fairs and exhibitions. Now we found the big demand for daily product in Asia in this area the market is booming the consumption of daily product in Asia was increase and next ten years will be double<sup>18</sup>.

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<sup>18</sup> <https://www.google.com/search?q=Freelancer+is+one+of+the+most+popular+jobs+for+modern+people.+They+live+freely%2C+belong+to+no+boss+and+work+on+one+project+at+a+time.+We+initially+knew+freelancer+from+fashion+field%2C+be+it+hairdressers%2C+makeup+artist+or+photographer.+Later%2C+writers+write+f+site%3Ahttp%3A%2F%2Fowl.english.purdue.edu>

focus something different. Asian have very grow economic and buyer have a lot of purchasing power we come to join Thaifex 2013 for the first time but we join the fair in Singapore, Japan so we see the good opportunity to make a new market, look for a partnership and distributor in this fair and in Thailand we want to have distributor to bring our product to Lotus, Big C, 7-11 or other retail store in Thailand. Miss Phoenix Wu Export Department SHANTOU LIHONG PACKING AND PRINTING CO.,LTD. Our company business is an OEM manufacturer specializes in flexible packaging industry various kinds of laminated bags and films of food grade. We have been certified with ISO 9001:2008, ISO 14001 and HACCP and passed audit by AIB International. We have totally two factories, located in Shantou. We do a lot of package from our customer in every part of the world like America, Europe, Asia, Africa, Middle East, Oceania but our main market are in China about 70% of all. In our factory we do all printing process by computer not by man. We have some client in Thailand for many year they are doing the food in the food industries so we join THAIFEX to get some communication with our client in Thai so we hope to find a new client in Thai's food industries from this fair and from other country too. We focus more in Thailand because the food industries in Thailand are growing well some product package. The company in Thailand can do like us or better than us in some product but we will offer the same quality in the cheaper price, we think when we finish this fair we will have a good feedback. JFT-IFF International Fashion Fair TOKYO 2013 JFW International Fashion Fair (JFW-IFF) is Japan's largest fashion business trade show, held in January and July each year at the Tokyo Big Sight in Odaiba, Tokyo. There is a wide range of exhibitors at every show, from major manufactures to up and coming creators both from within and outside Japan, spanning approximately 750 companies from more than 20 countries. In addition to the women's wear, fashion accessories, casual clothing, and Asian sourcing zones, the show features new brands at the Creators' Village, a key focus, and attracts approximately 26,000 buyers from in and outside Japan. In recent years, the show is seeing a rise in the number of such non-fashion business exhibitors as interior goods, automobile, home-ware manufacturer, aromatherapy goods, and cosmetics, resulting in steady increase of buyers from lifestyle goods-related companies. ASEAN Economic Community or what we have known as AEC in 2015 will surely bring prosperity to Thai SMEs. To get ready for it, many organizations including Thammasat University Research and Consultancy Institute, the Center of commercial Economy Research and Development and International Institute for Commerce and Learning of AEC's Mutual Recognition Agreement have been working together to learn more on how AEC entry will affect to Thai SMEs and in what ways. The total of 6 SMEs in focus in terms of tendency to receive positive effects from the AEC entry include the industry in machinery, food, rubber, packaging and plastic products, textile and garment, and jewelry. Other than that, assigning Strategic Partners, handling financial problems, and improving labor skills are significantly parts of this scheme. However, the SMEs for gem and accessory business in Thailand are now focusing on international market.

Its primary goal is to achieve one of the world's 10 gem exporters by 2015. The second one is to achieve 3% increase in GDP for gem export in ASEAN by 2015. The third one is to upgrade gem standard to world class while the last ultimate one is to have Thailand as a hub for gem manufacturing and trading. For the role of government, what the government should do is to provide a full support in all aspects such as material source in ASEAN, research and development, product quality improvement, and labor transfer. The significant strategies derived from such research towards the effects of AEC in the near future project to the provision of sustainable material sources, tariff adjustment, government's regulations, gem and accessory market expansion, source of investment to promote labor's skill development, and last but not least, strong co-operation among business owners. Symposium with Chookiat Ophaswongse. On the Future of Thai Rice in the Global Arena in 2013. For the past several decades, Thai rice has played an important role in exports and earning income for the country at a hundred billion baht per year while distributing income to the agricultural sector for more than four million families. At the same time, Thai rice is significant on the in global arena as a major rice producer for exports to feed the global population. The Thai government, however, is currently modifying the rice trade system from free trade to the rice pledging scheme which is causing impacts on the entire rice market system and raising questions about how Thai rice will move advance in the global arena in the future.

#### 5.1.4 Successful of Bussiness

Today, Mr.Chookiat Ophaswongse, Honorary President of the Thai Rice Exporters Association, has joined us to share his interesting views as an exporter about the direction of the Thai rice industry. Mr.Chookiat told us that Thailand's rice export statistics drastically dropped in 2012, leaving only major markets in Africa, Algeria, Nigeria and Iraq and reducing the amount of exports in 2012 to 6.95 million tons, a decline of approximately 35% from 10.6 million tons while the export value also dropped by 24%. most importantly, Thailand lost its rice exporting championship for the first time in 32 years after India was ranked first and Vietnam ranked second. A significant factor contributing to drastic declines in Thailand's exports is the government's implementation of the rice pledging project and pledge prices set at 50% higher than market prices. The prices of 15,000 baht per ton for white paddy rice and 20,000 baht per ton for Hom Mail, which manipulated the export prices for Thai rice and made them much more expensive than competitors because, if sold at pledge prices, the Thai white rice price would be as high as USD 800 per ton, which is more expensive than Vietnam's price of USD 420 per ton. And although the actual market price for Thai white rice is USD 560-580 per ton, the difference remains significant because Thai rice is normally only USD 30-50 per ton higher than Vietnam rice. This manipulation of market mechanisms has caused importers to refuse Thai rice because, although the quality of Thai rice is higher, USD 100 per ton difference has convinced buyers to bur rice from Vietnam and India instead.

Therefore, rice export trends for 2013 may be more difficult to gauge than last year because cheap prices give an advantage to rice pricing competitions. Thailand was lucky last year because purchasing countries were not ready and consented to purchase rice from Thailand. This year, however, most customers are turning to Vietnam and Cambodia because of cheaper prices and little difference in quality. In premium markets like Hon Kong, Thailand was the champion for exporting no less than 400,000 tons of rice per year with 90% of the rice market shares in Hong Kong. However, Thai market shares in Hong have plummeted by 50% and the rice was sold amongst only to the wealthy while food shops, restaurants and hospitals turned to purchasing Vietnam rice because the price of fragrant Vietnam rice is USD 580 per ton while the price of Thai Hom Mali rice is at USD 1,200 per ton. In addition, this year's global rice production is high without disasters in any country. In India, droughts were projected but production was good instead. Furthermore, there are also new competitors from Cambodia, which has increased rice production to 10 million tons this year from 5-6 million tons last year together with Myanmar which is expanding rice planting areas due to the numerous empty areas in the Ayeyarwady Region. Moreover, foreigners are also interested in investing. "Thailand will have many competitors in the future who have lower prices than Thailand. Vietnam sells 5% white rice at USD 420 per ton while Myanmar sells at USD 32 per ton. Vietnam will have to compete with Myanmar. However, Thai rice is much more expensive. It's like putting a product on display without anyone showing an interest. The other real competitors are India, Pakistan, Vietnam and Myanmar. Therefore, this year's competition remains a price competition and Thailand will become even more exhausted. Finally, I believe Thailand's rice export for this year will be lower than last year". Concerning opinions toward the government's rice pledging scheme, Mr. Chookiat holds that the rice pledging scheme has caused more negative impacts on the Thai rice industry than gains because, as well-known in the export market, Thai rice is difficult to export and we no longer own the global market because rice is a replaceable product and Thai rice remains costly. In addition, the Thai government is storing more than 10 million tons of rice, which prevents many countries from rushing to buy. At the same time, mortgaging decreases rice quality because farmers keep planting rice without caring about quality because the government accepts all mortgaging at the same price.

#### 5.1.5 Conclusion

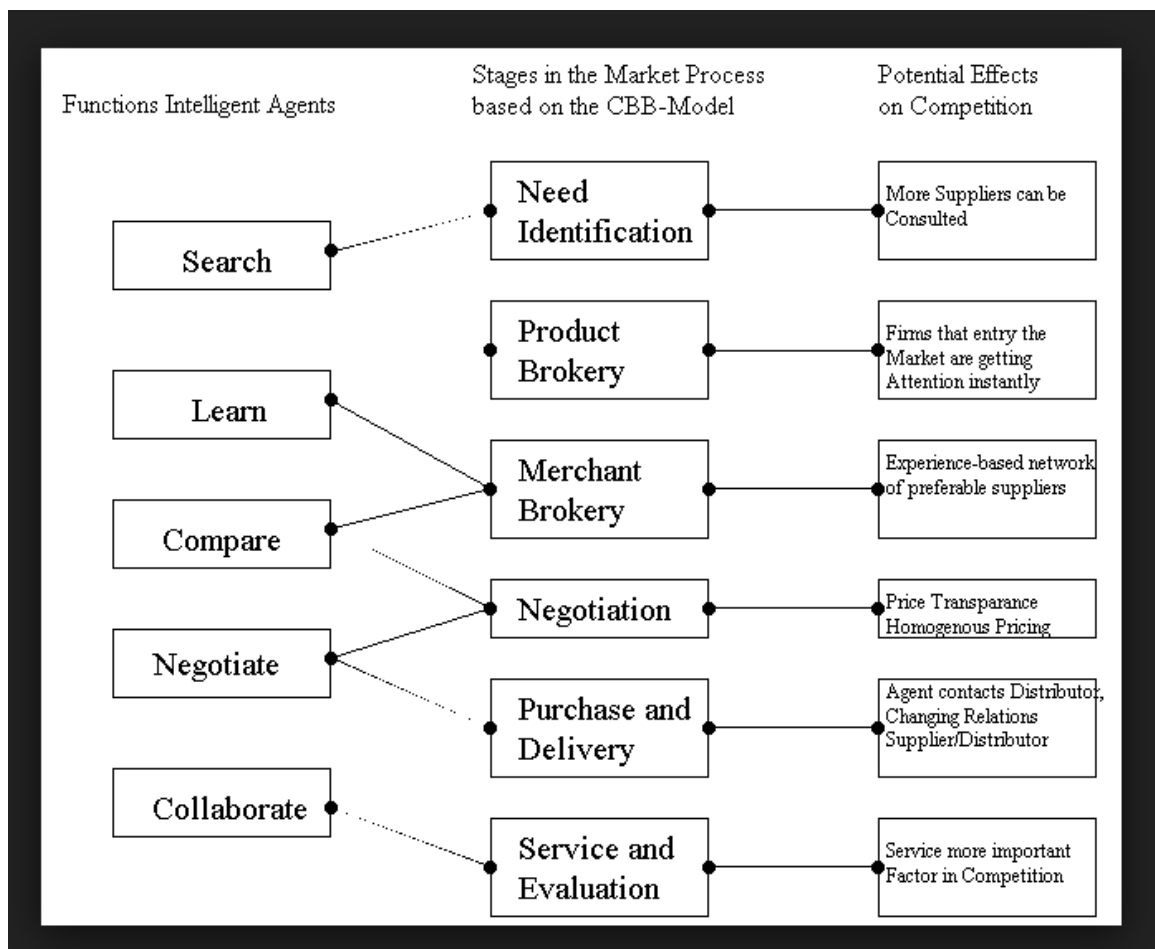
Most importantly, if the AEC is launched in another two years and the government continues its rice pledging policy, Mr. Chookiat is concerned about how the government will prevent rice from other countries to subrogate or mix low quality, GMO rice with Thai rice. Although the establishment of free rice trading areas along the borders is good, it is difficult in practice. He also has additional concerns that cheap rice from neighboring countries may be able to compete domestically. Therefore, the Thai government should implement NTBs, such as by stipulating



imported rice types or allowing imports at certain borders only in order to preserve the domestic rice industry. Regardless, the strengths of the Thai rice industry are found in effective shipping and customs clearance systems, especially the National Single Window policy which allows exporters to submit documents and request permission from a single location, creating flexibility and saving time while transportation systems have improved from using large ships to loading into containers, which is more convenient and allows rice to be sold in small lots of twenty tons per container. However, the current obstacle is import strictness in destination countries issuing NTBs, e.g. by using x-rays to increase sales costs, or Middle Eastern countries returning rice immediately after finding just one bug. Nevertheless, these problems are minor when compared to the total amount of Thailand's rice exports. What he would like to leave with the government is the government's necessity to revise the rice pledging scheme to help maintain Thai rice export markets in the global arena, e.g. reducing pledge prices or releasing rice to the price sector at near market prices to facilitate exports. However, the government will have to accept losses, which may be more than 50% , in order to keep the system going because the government will incur expenses if the rice is not released, e.g. warehouse rental, bi-monthly fumigating and maintenance at several billion baht per month, not including deterioration of rice with time, especially jasmine rice which decreases in quality the longer it is kept while bringing lower prices. Moreover, the government should support more research and development in rice because the government has allocated low budgets for this section, which is very different from competitors like Vietnam because Vietnam spends 3-4 billion baht in budget funds for rice research, annually an amount that exceeds Thailand several times over. The government should increase research to improve rice quality and train farmers in correct planting methods and knowledge, e.g. the fact that adding too much fertilizer is not good. Therefore, it is time for the government to reviews its rice pledging policy because rice selling competitions need to be fought at the price level. Thai rice can compete if the price is similarly priced. However, it will be difficult to compete if the price is very different and Thailand will have great difficulty in winning back market shares after losing them, because many countries like Cambodia and Myanmar are more prepared to export rice. In addition, the future for Thai rice will become a sunset industry unless the current situation changes.

## 5.2 Model of Surapon Food

### 5.2.1 Strategy of Model



### 5.2 Table of Process on Procdution

Strategya and Model Business Points out multiple risk factors that will haul a dream of export The economic organizations of agriculture and food business including the Board of Trade of Thailand, the Federation of Thai Industries and the Food Institute expect Thailand in this year 2556 to extend our export food up to 6% with approximately 1,030,000 million baht due to the belief of the world economy that will grow as being boosted corresponding the recovery of Asian economies as well as economic integration in the forms of free trade and economic partnership which will push trade sales in this region to grow even more. Last year in 2555, all the food business operators had a deep impact on the global economic crisis, especially the European debt crisis and the uncertainty in the recovery of the developed countries like the United States resulting in the food manufacturing in Thailand decreased 2% for the first time in four years, while exports grew only 0.8%, or a total value of 971,689 million baht. redirects the problems of the food industry with “Custom” that last year Surapon Foods with other food manufacturers and food exporters were facing multiple risk factors in particular, the problem of the baht strengthened quite a

lot giving an overview of the business not sparkling as all expected as well as the problem of the raw material shortage. Supapon Foods was trying to compensate by importing raw material from some foreign countries or using other materials that can use for a substitution and also making a contract with the farmers to make sure that materials would be supplied to the plant adequately which made it possible to resolve the issue and moved on to the business. However, it is believed that in the year 2556, the business would not be much more vibrant because the strengthening of Thai baht has become a major obstacle to the sector as well as the shortage of raw materials while the situation of the global economy has not improved much. The majority of Surapon Foods Markets are in Australia, Japan and Europe supplying frozen foods especially frozen shrimp which is the most popular product. Although the European market is in trouble and the Japanese have not fully recovered, business has to continue. Surapon Foods will pay more attention to ASEAN, China and Thailand markets to enhance the market growth. In the past, we did it quite well. The market is likely to grow. While the shrimp which is the key product still faces many pest issues and the shortage of material is becoming a major obstacle as well. This world is too cruel. Although it might be slow in some markets and there may be a problem but we are considered lucky that the local market sales volume has increased. We have people in the country with higher purchasing power. This allows us to be benefit. Also in addition to changing the behavior of consumers, especially where life is even more rushed, the frozen foods market is growing. Surapon Foods focuses on the quality of the product. The most important is the safety of the consumer. As a result, our product is widely accepted in the market and the good corporate governance making the company recognized internationally and trusted by customers around the world. We do business based on the principle that we will grow together with our allies and partners doing business on the basis of mutual success not exploit it.

### 5.2.2 Goals

However, we have to admit that there are vary problems in each type of businesses. In the frozen shrimp business, there are still problems of subsidized dumping measures, Anti-dumping, the human rights and the environment issues that will have to meet the standards. In fact Thai business operators are able to mange to meet the standards and requirements of our partners but then many of these measures are used as trade barriers. Now Surapon Foods, our company manages from the manufacture to final destination. We also have a warehouse that meets the international quality standards of major trading partners. In this business, if you can't comply with the rules and regulations of the partner countries, you can't do business with them. Before the customers make a decision, they will pay a visit to ensure of the source material, the manufacturer because to them, the food contamination is a very delicate matter.

In the next two years with the integration into the ASEAN Economic Community to increase the size of the market. We are attempting to open the market in ASEAN by focusing on the neighboring Laos, Cambodia, and Myanmar where the products has already been sold. There is an opportunity to fine raw materials for production in those countries as well because we don't have enough material and the supplies get more expensive every day. Yet we're strict about the quality of the raw materials from abroad for the same standards of quality raw materials in the country. At the same time we are researching to fine a country to expand production at reduced cost. Although we would be benefit from the wages, we need to consider the system's infrastructure and logistics and how equipped that is worth for an investment or a relocation. The success story of a business depends on the opportunities. But the government has an obligation to support private sector to do business successfully. The government needs to supervise and eliminate the trade barriers particularly the management to stabilize the baht. Mr. Surapon concluded that the government will have to manage the baht not move or fluctuate too much and it should be placed in close proximity to neighboring countries so Thailand will not be disadvantage and lose competitiveness. In addition, the government must play an important role to create standards of agriculture material in order to reassure customers as well as pay attention to the details of logistics system. They all have an impact on all who are in this business even the consumers, especially in terms of the standard diet. If they want to make Thailand truly be Thai favorites to world kitchen, all agencies have to be involved and take action seriously on the standard of the raw materials. This should include the enhancement of border trade each year because of the high value and high growth. The government will have to focus on eliminating barriers and regulatory procedures to generate a seamless transit as quickly as possible. They should have one standard in customs for the convenience of doing business. The government must find a way to push the neighboring countries to realize the important of this side and help to develop. This is just a part of the interview that Mr. Surapon have opened up with "Custom" to reflect the difficulties and obstacles of doing business to encourage government agencies to pay attention to driving and to the functioning the private sector to be able to succeed. If private sector is able to cross the line, the country would be able to move forward as well.

The Ministry of Tourism and Sports may not be at the top of the list like the Ministry of Finance or the Ministry of Commerce, but the Ministry is vital to the national economy and one of the pillar agencies generating revenue for Thailand. Income from tourism is rising daily, generating revenue at no less than 10% of the national GDP. At the same time, the government has set goals for no less than two trillion baht from tourism by 2015. Similarly, although the Minister is fundamental to the ministry as its head, success is no one-man task. The Advisor to the Minister is another position providing considerable support in accomplishing the Minister's work. "Although I wasn't elected as a member of the House of Representatives, my ability

has attracted the attention of the my ability has attracted the attention of the Chatthaipattana Party which recognizes me for capacity in foreign affairs. Thus, I have been entrusted with the job of helping the Minister of Tourism after working as an advisor to the Ministry of Agriculture and Cooperatives. “Sub. Lt. Porapol Adirekarn”, Advisor to the minister of tourism and sports Ministry of tourism and sports member of Saraburi for two terms before joining the Chatthaipattana Party at the end of 2012 and being appointed as an advisor to Mr. Somsak Pureesrisak, the current Minister of Tourism and Sports, on 30 April 2013.

### 5.2.3 Successful of Business

Porapol further disclosed that, with degree in international relations from the United States, he has served in the Foreign Affairs Division, Ministry of Defense. He also served in the Department of Export Promotion as a spokesman for the Senate Committee on Foreign Affairs and as an advisory team to the Minister of Foreign Affairs, forming network relationships with embassies and international organizations for many years. He recently volunteered his experience to help because the Ministry of Tourism and Sports currently has many jobs related to foreign affairs. As such, the Ministry is no less “inter” than the Ministry of Foreign Affairs with a need to meet and form relationships with foreign countries from across the globe. Government representatives need to participate in the “National day” events of each country because doing so can go a long way towards improving foreign relations. Although the government has not given much importance to this issue in the past, Sub. Lt. Porapol asserts that Thai ministers, especially the Minister of Tourism, participating in these events would be of great benefit to Thailand’s tourism industry and good for Thailand’s image, especially for the top ten countries sharing tourism relationships with Thailand such as Russia, China, America, India, Japan and South Korea or even Myanmar, which will be the host nation for the SEA Games at the end of this year. The Minister of Tourism will also pay particular attention to Brazil, which will host the FIFA World Cup soccer championship games, by participating because Thailand stands to gain advantages. We are trying to send officials to participate in world-class events, road shows and fairs. From now on, directors in the Ministry of Tourism and Sports will participate in the private sector more with discussions aimed at building understanding, listening and monitoring corrective measures on problems together with facilitating private tourism associations. As a former member of the House of Representatives for the province of Saraburi, Mr. Porpol would like to push for this province to become another important tourist site in Thailand, because Saraburi is undeniably a popular tourist site among both Thai and foreign tourists who love to visit places like the Ched Sao Noi Waterfall at Muak Lek, Wat Phra Phuttabat, Wat Phra Phuttachai, the Thai-Yuan Village at Sao Hai, the sunflower fields in Wang Muang and the ecological tourism centers at Ched Kod, Pong Konsao and Kaeng Koi, etc. Saraburi not only features tourist sites but also restaurants,

local residents and natural resorts or hotels to support tourism. Although Sub. Lt. Porapol has only held this position for a month or so, he has already looked into the tour guide shortage. In fact, Sub. Lt. Porapol is paying particular attention to this issue so motivating salaries can be offered to recruit staff with the right language skills, qualifications and ages because most guides no longer seek employment, but would rather own their own businesses. Planning and cooperation needs to involve all parties involved, so problems can be solved and multilingual qualified guides meeting standards and adequacy for annually increasing numbers of tourists can be procured. In another two years, the ASEAN nations will unite under the ASEAN Economic Community and Thailand has a significant “language” disadvantage. We need to resolve this issue and improve signage for tourist sites, which must be made to meet the same standard or offer third languages in addition to Thai and English in places with tourists from certain countries like the numerous Chinese tourists in Chiangmai, Pattaya and Phuket where we should have signs in Chinese to facilitate and impress visiting tourists, etc. This enthusiastic advisor also reports rising numbers of tourists in Thailand. Last year, Thailand had as many as 23 million tourists while the target for 2013 will be 24.9 million tourists. Despite annually increasing numbers of tourists, Thailand needs to look for other tourist groups by featuring advantages neighboring countries are unable to offer. “Shopping-Food Source-Entertainment” is a major tourist-attracting sales point while cultural and national park tourism sales points are already being attended to by relevant agencies. We are currently focusing on access to multiple tourist groups such as health tourists, adventurous tourists, Buddhist tourists, honeymoon tourists, conference/seminar tourists, photography tourists and diving tourists, etc. Although Thailand’s tourism situation is moving in the right direction, I have to admit that tourism management may be rather rough because the work relies on cooperation with various agencies. There are overlapping agencies involved with tourist promotion in a number of ministries such as the Fine Arts Department with the Ministry of Culture and the Department of National Parks with the Ministry of Natural Resources and Environment, etc. Integrative work is essential. On this issue, however, I believe being “Minister Somsak’s “ten-way coordinator” will make everything progress well. Tourist safety is another important problem for Thailand and the Minister of Tourism gives particular importance to this issue because attracting more tourists means offering better safety. This issue has direct impact on Thailand’s tourism image because today’s communication world is highly advanced and fast-paced. Without good care, inadequate safety will reduce the number of tourists who may lose confidence in Thailand’s safety.

### 5.2.3. Conclusion

Therefore, we need to outline measures and regulations while holding discussions and building understanding with the agencies involved, especially practical agencies, such as local agencies, police, prosecutors and courts, to prevent recurring and

endless incidents together with motivation tourists to take personal responsibility with a certain degree of ability for personal safety. In the mean time, the Ministry of Tourism has a shortage of agencies to serve as an essential cog in collecting and analyzing tourism data, numbers and indicators like other ministries with agencies for this field while the Ministry of Tourism does not. This is imperative. We must also increase personnel to create tourism economic offices as a department for collecting data, analyzing situations and planning significant policies for the future. Not only does tourism need to be supervised by the Ministry of Tourism, sports is another important mission with the primary goal of promotion by attracting globally famous or popular sports competitions to be hosted in Thailand, which is also be another way of attracting tourists with the Sports Authority of Thailand taking the main responsibility. In closing, Sub. Lt. Porapol told “Custom” that, as an advisor to the Minister, he anticipates his well-thought advice proposed on various issues will be tangibly practiced. So, we can be certain that Thailand will have no problem becoming a tourism and sports hub with quality and capacity to become number-one.

### 5.3.TMB Bank of Thailand

5.3.1 Strategya and Model Business : TMB Moves Ahead with Product Innovations for the AEC Focused on Meeting Customer Needs as a One-Stop Business Solution.

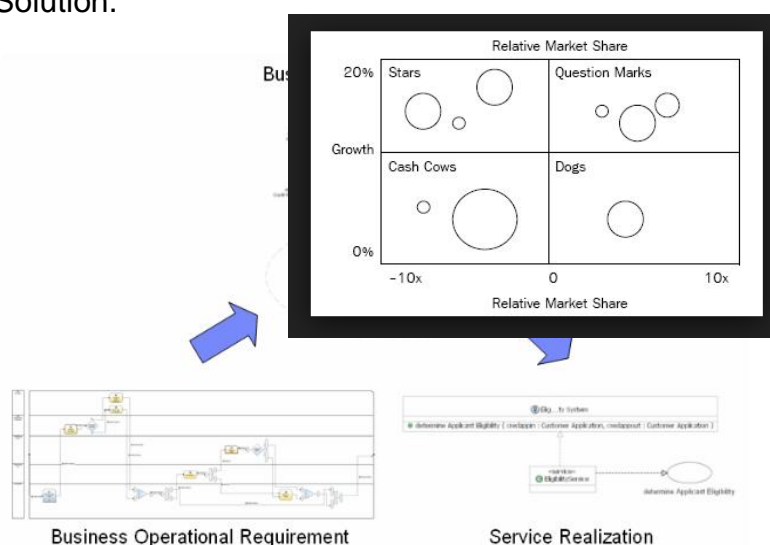


Table 4.3 Table of Matric Town

As the ASEAN Economic Community (AEC) draws near, the enthusiasm of every sector is growing because the general belief is that the AEC will bring about tremendous positive and negative changes for businesses, depending upon the pre-AEC degree of readiness to handle this upcoming union. TMB is a bank that is highly prepared in this area. Not only has the bank prepared itself, but we have also included the bank’s customers in the preparations, too. Mr. Piti Tantakasem, Chief

Wholesale Banking Officer, TMB shared with us that he originally majored in Engineering. Then he studied for his MBA and worked in the banking business, beginning with other banks first where he worked in practically every department until he came to work at TMB, where he has been handling business customers for the past five years. When he first began, there was a gigantic challenge which lay before him, because he started at time when TMB were faced with a massive accumulated deficit. From customer perspectives, the bank was only a secondary bank existing invisibly. In the eyes of investors, the bank's shares did not hold much interest. So, what the bank needed to do was find a way to hold a different stand from its competitors. To date, the bank has enjoyed a measure of success in this area and TMB has been able to undergo a transformation from a massive accumulated deficit to profit. During the past year, TMB broke previous records before setting its reserve fund and exceeded 10 Billion Baht profit, which is a huge achievement. One main reason for the bank's admirable turnaround has been due to extensive restructuring with proposals that differ from the market and focusing on offering products that support the businesses of bank customers with better one-stop services. Whereas the bank once supported only customer loans, very few products were concerned with import-export; import-export business transactions reached only the several hundred billion baht level with market shares in the savings department at approximately 5%. Today, the bank is currently capable of earning import-export revenue at over 1.1 billion baht, which is a reflection that shows how customers have welcomed the products in which TMB has chosen to provide excellent services. The products TMB has introduced to business customers are focused on enhancing the efficiency of business transactions and having sufficient working capital at all times because the bank believes the launching of the AEC will bring more people from abroad to compete with Thai entrepreneurs, which includes foreign banks who will also come to compete with Thai banks. Therefore, TMB will need to fortify itself to handle this competition. One key method for strengthening the bank requires an adequate customer base and strong customers.

### 2.3.2 Golas

Therefore, TMB needs to offer products to support building customer strengths, which will have positive effects on customer and the bank itself. Mr. Piti further added that strengthening customers does not mean the bank has to grant a lot of loans to customers, but involves finding what methods can be used so customers have sufficient working capital at all times. At the end of the day, TMB would like to help customers collect money from trading partners more rapidly, while also prolonging the payment period to suppliers whenever possible. When this can be done, customers will have greater financial efficiency and lower costs. Eventually, TMB will be stronger, because its customers will be strong as a stable foundation. "It is the nature of the business. As the paying party, customers will be called upon to



pay quickly. However, the fact of the matter is, customers do not receive money straight away from sales. With the credit terms of today, it may take months before any money is seen. This leads to more borrowing from the bank as a source for working capital. The products the bank offers are based on a foundation requiring support for customers to have an improved cash cycle that will not rely heavily on credit. If the customer operates in the import- export business, they will be able to collect receivables more quickly while at the same time prolong their payment periods, thus leading to sufficient funds and less borrowing”, says Mr. Piti. As for policy concerned with this year’s business customers, we will focus on supporting customers with one-stop services from upstream to downstream. In other words, we will support corporate, medium and small businesses so as to improve transaction efficiency along supply chains. For example, PTT needs to sell fuel through service stations with petroleum product sales through distribution agents. The bank needs to find methods to enable these distribution agents to sell more, while also reducing costs. Rather than just granting loans to only corporate customers we need to support the supply chains of these corporate customer as well because when we view the entire business path altogether, we can introduce products to better resolve customer’s problems as a whole. Furthermore, transactional banking products that are associated with money collection, transfers and payments for corporate, medium and small enterprises will offer better financial support throughout the supply chain, thus leading to higher efficiency than when focusing on only certain business sectors, which is not continuous. For international business customers, TMB has recently begun to offer a new product called “TMB One Working Capital” by offering credit limits covering every customers’ need under the same amount. Customers can be flexible in adjusting financial amounts to be used with each aspect of the business themselves, so customers have sufficient capital whenever they need it. For example, whenever business is going well in the domestic market and they need domestic financial amounts, they can allot some money for domestic use. Whenever exports are doing well, money can be allotted for export use. Or if only a credit guarantee is needed, and no actual lump of money is required, money can be reallocated to serve as a guarantee. Today we offer “TMB One Working Capital” at a maximum credit limit of thirty-five million baht per case, if the response is good, TMB will likely expand the limit in the future. This product differs from the products of other banks, which generally offers credit lines to customers by deciding on behalf of the customers about granting how much credit to each aspect of the business with no flexibility. TMB One Working Capital mainly focuses on responding to the needs of medium and small enterprise customers because corporate enterprise customers are not usually faced with financial limitations. Mr. Piti expressed his opinion that these matters are at the core of preparations to handle the AEC because our ability to support the strengthening of customers is like revitalizing the bank. Thus, we need to offer products in response to the needs and differences from the market. If TMB offers the same products offered in the market with the same low credit limits for everyone, there is no way we would be able to raw quality customers. We would

not be able to select strong customers. If, however, TMB is constantly developing better products, we can attract strong customers who come to use our services and TMBs concern about handling the AEC can also be relieved. Concerning policy for international branch expansion, TMB is not likely to emphasize the establishment of branches abroad like other banks. Rather, we will put greater focus on forming a friendly network of overseas allies. Because we do not believe opening only one branch abroad will handle the needs of customers entering that country to conduct business. Our view, however, is that TMB's wise selection of good allies is not limited only to allies signing contracts to cooperate on paper. The bank allies selected by TMB mean true allies with solid friendships who know each other from managing director to managing director with mutual business support, i.e. when customers from ally banks come to conduct business in Thailand, TMB will help take care of them. The same goes for when TMB customer come to conduct business in that country, the ally bank there will also help take care of TMB customers as though they were the bank's own customers. "We do not want shallow relationships.

#### 5.3.4 Successful of Business

Instead, we want lasting relationships. We want firm allies. Relationships of this type will enable Thai business to go in and out through the right door and moreover, solve customer's problems. At present, TMB already has this type of ally. Right now, we are allies with Banque Pour Le Commerce Exterieur Lao (BCEL), the number one bank in Lao PRD with branches nationwide, which is listed on the Lao PDR Securities Exchange (LSX). TMB will continue to operate in this type of alliance with local banks in other ASEAN countries to develop conveniences for customers. We will focus on cooperating with banks that have adopted similar concepts". In addition, Mr. Piti believes finding bank alliances abroad brings greater efficiency as well as lower costs, too. From now on we will have to monitor the responses from customers to see just how many more transactions are conducted through TMB. The fact that TMB has ING, which is a shareholder, has enabled us to use the ING network in this region as a bridge linking us with local banks in each country. TMB is not looking at alliances with only ASEAN banks, but we are looking at places like Japan and other key trading partners, too, because more and more minor Japanese investors are currently moving their bases into ASEAN and that includes Thailand. Mr. Piti explained about the type of support customers entering the AEC market can expect and that TMB will not be the one taking customers to seek markets, but will find guidelines on how to support customers who decide to seek the AEC market because we believe customers generally know themselves best. It is also important to note that each ASEAN country features different points of interest. For example, Indonesia is a market with huge domestic demand, Singapore is a market holding the advantage when it comes to logistics systems and Laos is an interesting country to be used as a manufacturing, agriculture of animal husbandry base because it still has plenty of suitably priced land, etc. Nevertheless,

TMB does not want its customers to limit their interest to seeking opportunities from the AEC by accessing only ASEAN market because not every customer is ready to access the AEC market. Those who are not yet ready to pursue other markets must exert their effort towards developing themselves and their products with outstanding features to increase competitiveness, while also improving the opportunity to attract foreign investors who may want to conduct business in Thailand and will need them as allies for business expansion. Moreover, TMB believes banking businesses in Thailand will continue to survive after the AEC because the banking business is like the food business with restaurants from a variety of nationalities coming to open in Thailand in large numbers. However, Thais will eventually choose to eat Thai rice and curry. In other words, the end result will be that local banks continue to be number one in the hearts of customers and foreign banks might be just another added choice.

### 5.3.5 Conclusion

There is no way foreign banks will become Thai banks or that Thai banks will transform into foreign banks. Thai banks need to continue enhancing customer relations. Foreign banks are likely to make their way into certain markets. If, however, Thai banks build relationships and understand business conditions and customer needs by realizing what Thai businesses need and the problems they face, how they conduct their business, what methods should be practiced to improve customer lifestyles and how to make things more convenient, our number-one status will remain in the hearts of our customers.

## 5.4 Strategy and Model Business : Model of CSR : Special Collections Guidelines for Library Moves or Closures

### 5.4.1 Strategy Model Business

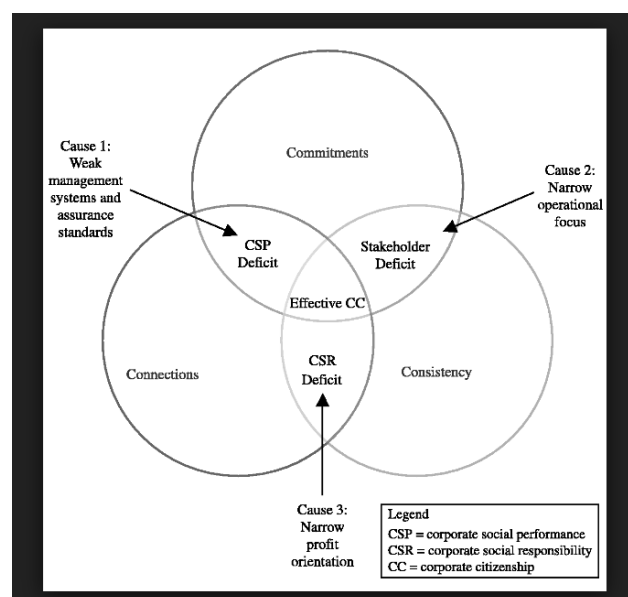


Table 5.4 Table of Service Model

Special Collections Guidelines for Library Moves or Closures. All units that are closing or moving are responsible for adhering to the following guidelines pertaining to special collections, including administrative records, rare books, and maps. As part of the New Service Models process, planning and implementation team leaders will be informed of these guidelines and asked to facilitate the process to ensure compliance. Team leaders are also strongly encouraged to invite a representative from the Special Collections Division to an early meeting of their planning or implementation team. Contact the Coordinator of the Special Collections Division to arrange this meeting, or with any questions about handling specific materials.

Administrative Records & Manuscripts The University Archives has a mandate to appraise and accession the organizational records of enduring value from all University departments and units. Conversely, departments and units of the University have a responsibility to preserve appropriate records for transfer to the University Archives. Units slated for closure are responsible for adhering to the University's "Transfer Guidelines for Records of Administrative and Academic Units" (<http://www.library.uiuc.edu/archives/services/units.php>). To enable orderly transfer and preservation of these records, sufficient time needs to be built into the implementation process to allow an early review of the files by the Archives' staff as well as the time for the unit to organize, inventory, and prepare for transfer those files identified as having enduring value.

Maps and Cartographic Materials Units holding cartographic materials, in particular maps, aerial photographs and large-format atlases, are to contact Jenny Marie Johnson in the Map and Geography Library to identify, appraise, and determine an appropriate transfer location. As with rare materials, this must be done before the collections are moved, dispersed, or merged.

Rare Books and Special Collections Units slated for closure are responsible for adhering to the "General Policies Governing Materials under the Care of The Rare Book & Manuscript Library" <[http://www.library.illinois.edu/administration/collections/policies/General\\_Policies\\_Governing\\_Materials\\_under\\_RBML\\_Care.pdf](http://www.library.illinois.edu/administration/collections/policies/General_Policies_Governing_Materials_under_RBML_Care.pdf)>. This document provides guidelines on what material should be transferred to RBML, Rare Books remote storage (RBOS), or other special collections units. Items transferred to RBOS should be given the item type: BK 16/4 WKS LOCAL REQ. The identification and transfer of rare and valuable materials needs to take place before collections are moved, dispersed or merged. This will involve considerable interaction between the staff of the closing unit, the appropriate Special Collections Division unit (usually RBML), the Conservation Lab, Oak Street and Main Stacks. When additional funds are needed to transfer, process or preserve large collections of materials, and the closing unit cannot support the cost alone, the unit head or team leader can submit a request for NSM funding <<http://www.library.uiuc.edu/export/nsm/fundingrequests/index.html?>> to supplement other available funds. So how do the business functional requirements expressed in the business process model relate to an OO

implementation? The answer is through service specifications or contracts derived from the process models that specify what the implementation must do, but not how to do it. These contracts are called Business Services Specifications because they are derived directly from business processes. Not all of these service specifications have to be implemented by some software system. But for that subset of the business processes that are automated, the service specifications mediate between the business operational requirements and their software implementation model by providing a formal, service-oriented, and verifiable specification of what those implementations must do in order to realize the requirements.

#### 5.4.2 Goals

Each process in the business process model is viewed as a UML2 Collaboration. The collaboration roles are derived from the role resources assigned to perform tasks in the process. A role is viewed as a UML2 Interface whose operations, and their signatures, are derived from all the tasks assigned to that role in all the processes in which it participates. The parameters of the operation are derived from the inputs and outputs of the corresponding task. This provides the complete usage contract for the business process by specifying the participating roles and all their required interfaces. The realization contract is an Activity behavior added to the Collaboration. This activity is derived directly from the business process itself. Each task in the process becomes an operation invocation in the activity. The target instance for this operation invocation is an instance of the interface corresponding to the role the task is assigned to.

5.4.3. Most other process modeling elements correspond closely to model elements in a UML2 activity making the transformation of a business process to an activity straightforward. Each process can also realize business use cases that specify the business requirements realized by the business process. The actors participating in this use case are business actors derived from the roles and service providers participating in the business process. The business use case is also realized by the collaboration indicating that the contract specifies how the requirements must be met by implementations. It is these formal relationships that guide how tools should be integrated to enable end-to-end development that meets business needs. There is no need for additional, non-standard dependencies, nor is there any missing traceability between the business process models and the UML2 Business Services Models.

5.4.4 Successful of Business This is because the BSM is a view of a business process model, not a separate, persisted model in its own right. The business service specifications can then be realized by any number of Classifiers that contain a CollaborationUse which bind their parts (properties and association ends) to the roles in the collaboration, thereby providing an implementation that fulfills the specified contract. There are no constraints on how these classifiers are organized.

An architect can design a system that addresses other IT requirements specified in a system use case, architectural, and/or nonfunctional concerns over and above the requirements specified by the business service specifications. As a result, there is a large degree of freedom about how the implementation is modeled and transformed into running code. However, in the final implementation, the required interfaces specified in the contract, and generated from the required roles in the business process model, will be realized somehow, and with behavior that is consistent with the business process that specified the realization contract. As a result, the gap between the business requirements and an OO IT implementation is effectively closed in a formal, well-defined, deterministic, and repeatable way. Once the system boundaries have been established by determining what portions of the business operational requirements are to be automated with software components, you can start developing an implementation that realizes the service specifications. Such an implementation may start with system use cases which model additional system requirements (such as task details, architectural and nonfunctional requirements). System use cases provide a convenient way to include IT concerns or design constraints into the system without commingling them with the business concerns specified by the service specifications. The system use cases don't directly connect to the business use cases, because they deal with a different set of concerns. Instead, they link indirectly through the implementing classifiers and the service specifications they realize.

**5.4.5 Conclusion** The Business Services Model includes specifications for all processes in the business process model. A BSM corresponds roughly to a computation-independent model (CIM) in the OMG Model Driven Architecture (MDA) framework. It specifies what the implementation must do, but not how it does it in terms of applications, software architecture, middleware, or runtime platforms. The contract implementations correspond to OMG MDA platform independent models (PIM) as they specify what business contracts are implemented and how.

## 4.5 Strategy and Model Business

### 4.5.1. Strategy and Model Business : SMEs in Thailand.



Table 5.5 Table of development

Business application development often starts with business process modeling to discover and document the key business requirements necessary to meet business objectives. Some applications can be implemented directly as process models using platform runtimes such as WebSphere® Process Server. Tasks in these processes can be implemented using a variety of techniques. However, there are many cases where simple functional decomposition leading to workflow based applications are not enough. In these cases other architectural styles may be used to develop applications in order to better manage complexity, achieve more reuse, and to facilitate change. Business analysts often specify the system functional requirements using process models while developers prefer to use object or service modeling to

specify implementation models. How these different world views are reconciled and kept in sync as the applications develop in the face of changing business requirements is not well understood and can result in cost overruns and applications that don't meet customer needs.

#### 4.5.2 Goals

The problem is that there is no well-defined relationship between process models and object models, reflecting yet again the business/IT gap and resulting in poorly integrated development tools. Integrating business and object modeling tools has been a challenge because of conflicting perspectives and lack of formal semantics. Traditional RUP approaches use business models as a means of discovering object models and then rely on wholesale model refactoring during object-oriented analysis, design and implementation. Without rigor, the connection between the business use cases and these object models can get lost. This often leads to significant reconciliation and traceability issues as the business requirements change, implementation technologies change, and existing applications are integrated. This article describes a new approach incorporating the best of both process and object modeling techniques by treating business process models as service contracts specifying what object models must implement. The Business Services Model (BSM) is a dynamically created UML2 model of a service specification between business clients and IT implementers. Figure 1 shows the Business Services Model as a mediator between the business requirements expressed in process models and any implementation, including object or service-oriented implementations. A business process model consists of a set of processes perhaps organized into catalogs. Each process represents the business operational requirements necessary to achieve some business goal or objective or functional and nonfunctional requirements specified in a business use case. A process contains a number of tasks linked by either control or data flows that choreograph the tasks in the process. Tasks represent some unit of work in a process whose details are not included in the model. A task can invoke another process, invoke a service provided by others (including manual services), invoke a local or global function defined as part of the process model, or perform any other calculations that are indivisible from the point of view of the process modeler. These processes are about the business, not necessarily about any automated software process. Business processes are another, commonly practiced way of capturing business requirements.

#### 4.5.3 Successful of Business

There are many other techniques including business rules and business use cases that can also be used. However, in this article we restrict our view to business process models because of their simplicity and common use. Tasks can be assigned resources that are required, perhaps at a particular location, for their completion. Often, at least one of those resources is a role resource that specifies what role in a



business organization is responsible for performing the task, or what services some service provider must be able to perform. Some tasks are manual and are performed by people who have sufficient skills and are qualified to play the role assigned to the task. Other tasks can be automated and are performed by a component of a software application that plays the role. The process choreographs the tasks performed by roles required to achieve the process's objectives. To assist in specifying this choreography, communication protocol, or orchestration, the process may contain other control and loop nodes for selecting alternative execution paths, branching and merging parallel flows of control, and iteration. Business process models appeal to business analysts because they can be relatively simple and focused on specific, identifiable tasks that result in clear business value. We are all very familiar with following a sequence of steps or a recipe to achieve some end result. It is very easy to capture existing or anticipated business processes in process models because these models directly reflect the steps in the business. There are workflow-based systems, such as WebSphere Process Server, that can execute process models directly. This can be an effective solution for simple business processes. But it tends to break down as the complexity of the business processes increases, as the processes change to address new business requirements, or as the processes are decomposed and refactored for reuse. Large applications based on process models (and functional decomposition) can be hard to understand and expensive to maintain because the state of the application is distributed in unpredictable ways throughout the system, and implementations are tightly coupled through calls/called relationships. This coupling and complexity also makes such applications difficult to reuse and integrate with other applications.

#### 4.5.3 Conclusion

Horizon 2020 takes a new approach to stimulating and supporting research and innovation in SMEs. The dedicated SME instrument puts small companies in the driving seat of European innovation projects, which shall be conducive to their competitiveness and growth while tackling societal challenges. It shall promote more SMEs to benefit from the innovation potential of the internal market and to develop substantial innovations that can compete on European and global markets. The SME instrument is a radically new concept of EU R&I funding. Simple and efficient implementation and management are key to meet the needs of SMEs and to achieve the desired impacts. The success of the SME instrument will thus largely depend on a coherent SME friendly implementation. Developing and discussing concrete ideas for the operation of the SME instrument by drawing on various best practices and experiences were the objectives of a workshop organised by DG Research and Innovation on 23 April 2012. It focused on three important implementation aspects: submission, evaluation and management of projects; the mentoring and coaching system for participating SMEs; and the link to the financial instruments. The workshop attracted around 100 participants from 24 countries. They were

practitioners from national programmes, experts in SME innovation and research (e.g. from the FP7 Advisory Group on SMEs), stakeholders from the SME community and SME associations, members of SME networks, representatives from national innovation agencies and from governmental bodies.

#### 4.5.4 Concept Conclusion. All company

Building a business is easy. Start with an idea. Find a wicked developer who is willing to work 80 hours a week for small paycheck and equity. Spend some time on Sand Hill Road. Hire smart people and then watch your bank account grow. Good article - I like the idea of treating team members as "fans" and then getting knowledge sharing through social business. It helps get information to the right person - often the customer - as quickly and efficiently as possible.



Table 5.6 The Model of Technology

Building a social business is not so easy. It requires people to actually communicate — processes and governance models that help shape employee behavior online — and technology to facilitate collaboration across the organization. just found a great company that builds websites for info products. To keep your costs low, they'll mentor you on how to create your site, design a marketing funnel (one of the guys works in Hollywood and makes really slick videos), and the other guy programmed Myspace. If you're looking to have professional web design for your small business and not waste any time or money then check their site out. Check them out. A social business is built upon three pillars – people, process and technology. All three need

to work independent of each other, yet need to be completely integrated into the DNA of organizational culture.

1. Change Management is the foundation of a Social Business. The foundation of a fully collaborative social business, whether for a small or large firm is the company's most valuable asset, its people. It addresses the need to drive organizational change in an effort to shift employee behavior, communicate more effectively across job functions and geographies and tear down organizational silos. All the technology, collaboration software and community applications deployed behind the firewall will not be effective unless there is a fundamental shift in the way employees think, interact with one another and communicate. These change management initiatives have to be driven by organizational leadership and practiced at every level in the organization from senior leadership all the way down to a customer support agent. Otherwise, change will not occur. This means that executives must not only talk about changing the organization but exemplify the behaviors that really do facilitate and practice change. The end result is an increase in trust among all employees at every level; trust of employees and empowering them to engage externally; an increase in budget investments to social business initiatives, collaboration and more effective social organization models.

2. Creating Processes that Create Organizational Consistency. Process cuts right through the entire fabric of the organization. It ensures that every job function in every business unit and within every geography is consistent when performing certain tasks. For example, when a new employee joins a company and wants to start blogging or Tweeting on behalf of the company, a process should be in place that governs training, certification and social media policies. Another example is when marketing departments in other countries want to create a Facebook fan page specifically for their geography. A process should be in place that will manage the creation of new social media destination; and escalate these requests to governing body (i.e. Social Media Center of Excellence) to avoid duplicate pages and inconsistent messages. Processes should help facilitate the chaos that exists from behind the firewall – i.e. employees sharing sensitive material externally, social media ownership, crisis management and product feedback workflows; and ensuring there is one measurement philosophy that the entire organization is bought into and using for reporting. Additionally, training initiatives, social media policies and guidelines, moderation policies, global expansion must be documented, approved and then rolled up into a co-created governance model. This ensures that there is message consistency globally, a legal documentation that protects the organization, empowers employees and ensures that everyone is on the same page.

3. Deploying Technology that Facilitates Collaboration. A social business needs technology in order to facilitate change and collaboration. Organizations need to be smart and think long term before investing in technology applications that facilitate internal collaboration (Jive, Lithium, Yammer), social listening (Radian6, Meltwater),

measurement (Rowfeeder, Argyle), social relationship management (Sprinklr, Syncapse Platform) and social CRM (Nimble, JitterJam, Pivotal).

Companies need to first understand what it is they are trying to achieve before thinking about which technology vendor to deploy. Are they trying to streamline communication between business units or geographies? Are they looking to roll out a collaboration application that will eventually replace their intranet? Or, are they planning to use social CRM and weave it into their sales and marketing initiatives? Whatever the case, it's important to understand the culture of the organization and its leadership. Technology will not change an organization's culture. However, having a strong understanding of it will have a huge impact on the technical requirements, choice of technology and how to implement and configure it. The challenge with technology is that there are so many software vendors in the space to choose from. Organizations need to think strategically before making significant investments into technology; and consider scale, integration, support and maintenance costs, and the current suite of applications that are already deployed within the enterprise. The foundation for social business transformation is culture and leadership. All the technology in the world deployed in the enterprise; and all the process/compliance documents created are useless if organizational behaviors aren't changed. Change starts from the top and business leaders are the ones responsible for facilitating this change. What is your advice for implementing socially-supported cultural/leadership in the first example? You describe a startup in your first example and it would be interesting to read how certain tactics or technology can give a new organization a head start in becoming a social business. Would they be an different than what is described for the slightly larger organization in your second example? I imagine there would be some overlap.

Collectual hello, achieving buy in and support from business leaders is perhaps the most important thing to do. Without it, the organization will never fully reach its potential of social business transformation. My advice .. start internal first. Create a thriving community internally so that employees, executives, etc can learn the technology and begin to change their behaviors by blogging/sharing/collaborating in a safe environment. They will find their voice and feel comfortable sharing (which will naturally increase internal collaboration). DirectResponse.net • a year ago –have found over the years that the hardest part about change is communication. Change begins with the top but the flow from top to the bottom is a lot of times very rough. Enabling great communication helps everybody be on the same page and creates a much more smooth transition.

Love it, Michael. I would add that the real foundation of good social business is operational excellence. As people find your business via new process and technology, you need to be prepared to impress. If you suck when they finally find you, then the bad news will spread farther and faster than ever. The new realities of social business make the fundamentals of good business more important than

ever. So, this is a huge part of what I've been thinking for a long time. Studying human behavior before I even fathomed I'd be a social media guy really set me up for success. It's exactly this. Richard, Michelle, and Stacy's behavior needs to change. They need to become the kind of people that naturally want to share, engage and respond. Isn't this the biggest problem Mike, and Jay? That we're really dealing with human beings who's most fundamental instinct is to do what's familiar? Solid post Mike. A bit strong on the corporate "I sound smart" talk (LOL), but the message is there. SAP and IBM are two companies that have been driving change management initiatives for quite some time now. The important thing to remember with these two companies is that the organizational leaders have bought into it and support their employees from the top down. They are also exemplifying the social behaviors which makes it easier for their teams to adopt. Customer profiling may sound like a mug shot lineup of your customers, but the goal of this post is not to imprison your customers. On the other hand, I hope to offer three steps to creating and evaluating the types of people you are looking to sell your products or services to so that you can effectively market to them. A useful customer profile (aka a persona) is akin to a comprehensive how-to guide on reaching your ideal customers. It gives you a structured look at their goals in trying your product, the features and content that matters most to them, and the messaging that will help them find you in the first place. If your business is currently winging it to create an understanding of your ideal customer or if your current profiling attempts are vague and ineffective, then be sure to read the following post very carefully. We are going to look at how you can easily create an informative and flexible customer persona template that you can use to paint a clear picture of who exactly is a fit for your product. As usual, great post on a great forum.. This kind of post about customer personas is 'timeless' and great white bread (high-level data and advice). I look forward to introducing this to our leadership group at YPAL. We have a Communications Director and Recruitment Director who may each identify with the above personas in some way. All of our Directors (including myself) can benefit from a better understanding of our customer persona which can be delivered through an iterative process described above. Great overview of how to breakdown your core audience(s). I know we are working on getting our bloggers on the same page as the SEO team so that everyone is on target, no just fumbling around in the dark. You might consider adding something to your template about how you got to the ideal buyers.

## 5.6 International Fashion Fair TOKYO 2013

### 5.6.1 Fashion Business Model

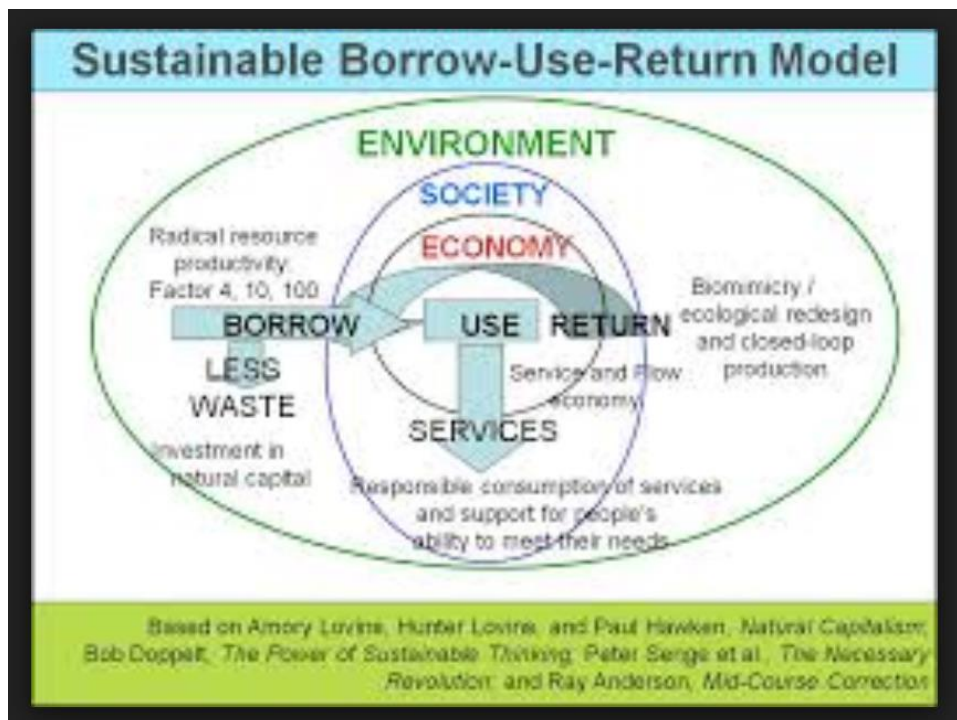


Table 5.7 Fashion Business Model

JFW International Fashion Fair (JFW-IFF) is Japan's largest fashion business trade show, held in January and July each year at the Tokyo Big Sight in Odaiba, Tokyo. There is a wide range of exhibitors at every show, from major manufactures to up and coming creators both from within and outside Japan, spanning approximately 750 companies from more than 20 countries.

5.6.2 Goals In addition to the women's wear, fashion accessories, casual clothing, and Asian sourcing zones, the show features new brands at the Creators' Village, a key focus, and attracts approximately 26,000 buyers from in and outside Japan. In recent years, the show is seeing a rise in the number of such non-fashion business exhibitors as interior goods, automobile, home-ware manufacturer, aromatherapy goods, and cosmetics, resulting in steady increase of buyers from lifestyle goods-related companies. VICB 2013. Vietnam International Construction & Building Exhibition. Vietnam is one of the world's best-performing developing economics. The on-going construction, building industries has been boomed by the increasing demand from the expansion of the industrial, residential and infrastructure projects. "VICB 2013" is a one-stop ideal arena to exhibit the latest construction and building industrial machinery, equipment, products, services and technologies. National pavilions & group participants from China; Korea and Thailand had participated in the show with the strong presentation of their latest machinery, sophisticated materials, innovative technology & keen services which provide cost effective solution to buyers. 6,188 trade buyers from 27 countries & regions. Visitors were from a diverse range of business sectors and were mainly ranked as middle to high-level management. For the past several decades, Thai rice has played an important

role in exports and earning income for the country at a hundred billion baht per year while distributing income to the agricultural sector for more than four million families. At the same time, Thai rice is significant on the global arena as a major rice producer for exports to feed the global population. The Thai government, however, is currently modifying the rice trade system from free trade to the rice pledging scheme which is causing impacts on the entire rice market system and raising questions about how Thai rice will move forward in the global arena in the future. Today, Mr. Chookiat Ophaswongse, Honorary President of the Thai Rice Exporters Association, has joined us to share his interesting views as an exporter about the direction of the Thai rice industry.

Thailand's rice export statistics drastically dropped in 2012, leaving only major markets in Africa, Algeria, Nigeria and Iraq and reducing the amount of exports in 2012 to 6.95 million tons, a decline of approximately 35% from 10.6 million tons while the export value also dropped by 24%. Most importantly, Thailand lost its rice exporting championship for the first time in 32 years after India was ranked first and Vietnam ranked second. A significant factor contributing to drastic declines in Thailand's exports is the government's implementation of the rice pledging project and pledge prices set at 50% higher than market prices. The prices of 15,000 baht per ton for white paddy rice and 20,000 baht per ton for Hom Mali, which manipulated the export prices for Thai rice and made them much more expensive than competitors because, if sold at pledge prices, the Thai white rice price would be as high as USD 800 per ton, which is more expensive than Vietnam's price of USD 420 per ton. And although the actual market price for Thai white rice is USD 560-580 per ton, the difference remains significant because Thai rice is normally only USD 30-50 per ton higher than Vietnam rice. This manipulation of market mechanisms has caused importers to refuse Thai rice because, although the quality of Thai rice is higher, USD 100 per ton difference has convinced buyers to buy rice from Vietnam and India instead. Therefore, rice export trends for 2013 may be more difficult to gauge than last year because cheap prices give an advantage to rice pricing competitions. Thailand was lucky last year because purchasing countries were not ready and consented to purchase rice from Thailand. This year, however, most customers are turning to Vietnam and Cambodia because of cheaper prices and little difference in quality. In premium markets like Hong Kong, Thailand was the champion for exporting no less than 400,000 tons of rice per year with 90% of the rice market shares in Hong Kong. However, Thai market shares in Hong Kong have plummeted by 50% and the rice was sold amongst only to the wealthy while food shops, restaurants and hospitals turned to purchasing Vietnam rice because the price of fragrant Vietnam rice is USD 580 per ton while the price of Thai Hom Mali rice is at USD 1,200 per ton. In addition, this year's global rice production is high without disasters in any country. In India, droughts were projected but production was good instead. Furthermore, there are also new competitors from Cambodia, which has increased rice production to 10 million tons this year from 5-6 million tons

last year together with Myanmar which is expanding rice planting areas due to the numerous empty areas in the Ayeyarwady Region. Moreover, foreigners are also interested in investing. “Thailand will have many competitors in the future who have lower prices than Thailand. Vietnam sells 5% white rice at USD 420 per ton while Myanmar sells at USD 32 per ton. Vietnam will have to compete with Myanmar. However, Thai rice is much more expensive. It’s like putting a product on display without anyone showing an interest. The other real competitors are India, Pakistan, Vietnam and Myanmar. Therefore, this year’s competition remains a price competition and Thailand will become even more exhausted. Finally, I believe Thailand’s rice export for this year will be lower than last year”.

5.6.3 Success of Business Concerning opinions toward the government’s rice pledging scheme, Mr. Chookiat holds that the rice pledging scheme has caused more negative impacts on the Thai rice industry than gains because, as well-known in the export market, Thai rice is difficult to export and we no longer own the global market because rice is a replaceable product and Thai rice remains costly. In addition, the Thai government is storing more than 10 million tons of rice, which prevents many countries from rushing to buy. At the same time, mortgaging decreases rice quality because farmers keep planting rice without caring about quality because the government accepts all mortgaging at the same price. Most importantly, if the AEC is launched in another two years and the government continues its rice pledging policy, Mr. Chookiat is concerned about how the government will prevent rice from other countries to subrogate or mix low quality, GMO rice with Thai rice. Although the establishment of free rice trading areas along the borders is good, it is difficult in practice. He also has additional concerns that cheap rice from neighboring countries may be able to compete domestically. Therefore, the Thai government should implement NTBs, such as by stipulating imported rice types or allowing imports at certain borders only in order to preserve the domestic rice industry. Regardless, the strengths of the Thai rice industry are found in effective shipping and customs clearance systems, especially the National Single Window policy which allows exporters to submit documents and request permission from a single location, creating flexibility and saving time while transportation systems have improved from using large ships to loading into containers, which is more convenient and allows rice to be sold in small lots of twenty tons per container. However, the current obstacle is import strictness in destination countries issuing NTBs, e.g. by using x-rays to increase sales costs, or Middle Eastern countries returning rice immediately after finding just one bug. Nevertheless, these problems are minor when compared to the total amount of Thailand’s rice exports. What he would like to leave with the government is the government’s necessity to revise the rice pledging scheme to help maintain Thai rice export markets in the global arena, e.g. reducing pledge prices or releasing rice to the price sector at near market prices to facilitate exports. However, the government will have to accept losses, which may be more than 50% , in order to keep the



system going because the government will incur expenses if the rice is not released, e.g. warehouse rental, bi-monthly fumigating and maintenance at several billion baht per month, not including deterioration of rice with time, especially jasmine rice which decreases in quality the longer it is kept while bringing lower prices. Moreover, the government should support more research and development in rice because the government has allocated low budgets for this section, which is very different from competitors like Vietnam because Vietnam spends 3-4 billion baht in budget funds for rice research, annually an amount that exceeds Thailand several times over. The government should increase research to improve rice quality and train farmers in correct planting methods and knowledge, e.g. the fact that adding too much fertilizer is not good.

#### 5.6.4 Conclusion

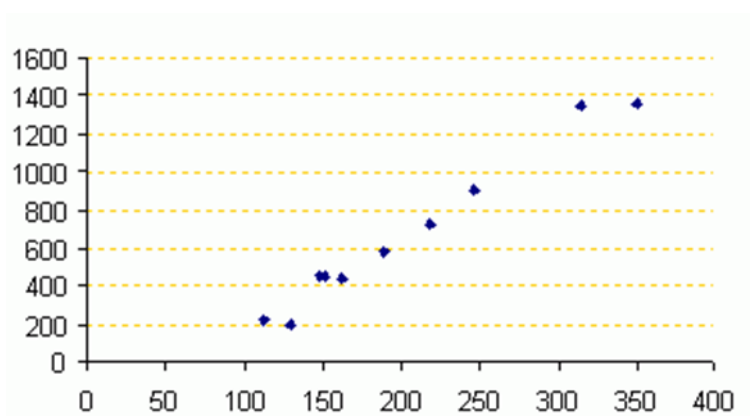
Therefore, it is time for the government to reviews its rice pledging policy because rice selling competitions need to be fought at the price level. Thai rice can compete if the price is similarly priced. However, it will be difficult to compete if the price is very different and Thailand will have great difficulty in winning back market shares after losing them, because many countries like Cambodia and Myanmar are more prepared to export rice. In addition, the future for Thai rice will become a sunset industry unless the current situation changes.

#### 5.7 Regression Analysis

Hypothesis :Economy is in crisis. Affect students who are graduating to move to a new generation in Thailand.

Step 1

$$Y = \beta_0 + \beta_1 X$$



Step 2 variable.> 0

Table 5.8 Regression Analysis 1

## Step 3 Sum number ice

											Sum	Average
X	112	130	148	151	162	189	218	247	315	350	2022	202.2
Y	225	200	459	445	439	577	722	903	1350	1360	6680	668
XY	25200	26000	67932	67195	71118	109053	157396	223041	425250	476000	1648185	
X <sup>2</sup>	12544	16900	21904	22801	26244	35721	47524	61009	99225	122500	466372	

Table8 Regression Analysis 2

## Step 4 Regression model

$$\beta_1 = \frac{\sum XY - \frac{\sum X \sum Y}{n}}{\sum X^2 - \frac{(\sum X)^2}{n}}$$

$$= \frac{1648185 - \frac{(2022)(6680)}{10}}{466372 - \frac{10(202.2)^2}{10}}$$

$$= 5.1716$$

$$\beta_0 = \bar{Y} - \beta_1(\bar{X})$$

$$= 668 - 5.1716(202.2)$$

$$= -377.7$$

$$Y = -377.7 + 5.17(X)$$

Table 9 Regression Analysis 3

## Step 5 t-statistic

$$H_0 : \beta_0 = 0$$

$$H_a : \beta_0 \neq 0$$

$$\beta_0(i) = Y(i) - \beta_1 X(i)$$

$$(\sigma_{\beta_0})^2 = \frac{\sum (\beta_0(i) - \beta_0)^2}{n}$$

$$t_{\beta_0} = \frac{\beta_0}{\sigma_{\beta_0}}$$

Table 10 Regression Analysis 4

Step 6 =  $\beta_0(i)$  and  $\sigma_{\beta_0}$  for  $t_{\beta_0}$  Prepare By Excel Model  $\beta_0 = -377.7$  and  $\beta_1 = 5.17$

Step 7 Values less than 0 deny the consensus base.

X (i)	Y (i)	$\beta_{0(i)}$	$(\beta_{0(i)} - \beta_0)$	$(\beta_{0(i)} - \beta_0)^2$
112	225	-354.22	23.48	551.23
130	200	-472.31	-94.61	8951.15
148	459	-306.40	71.30	5083.79
151	445	-335.91	41.79	1746.06
162	439	-398.80	-21.10	445.28
189	577	-400.43	-22.73	516.88
218	722	-405.41	-27.71	767.91
247	903	-374.38	3.31	10.97
315	1350	-279.05	98.64	9730.56
350	1360	-450.06	-72.36	5236.31
			<b>Sum</b>	<b>33040.14</b>
			<b><math>(\sigma_{\beta_0})^2</math></b>	<b>3304.01</b>

Table 10 Regression Analysis 5

$$t_{\beta_0} = \frac{\beta_0}{\sigma_{\beta_0}} = \frac{-377.7}{\sqrt{3304.01}} = \frac{-377.7}{57.48} = -6.57$$

$$|t_{\beta_0}| > t_{\alpha/2, n-2}$$

$$(\alpha = 0.05, df = n-2)$$

$$H_0 : \beta_1 = 0$$

$$H_a : \beta_1 \neq 0$$

$$(\sigma_{\beta_1})^2 = \frac{\sum (Y(i) - \hat{Y})^2}{n-2}$$

$$t_{\beta_1} = \frac{\beta_1}{\sigma_{\beta_1}}$$

X	Y	$X(i) - \bar{X}$	$(X(i) - \bar{X})^2$	$\hat{Y}$	$Y(i) - \hat{Y}$	$(Y(i) - \hat{Y})^2$
112	225	-90.2	8136.04	201.34	23.66	559.7956
130	200	-72.2	5212.84	294.4	-94.4	8911.36
148	459	-54.2	2937.64	387.46	71.54	5117.972
151	445	-51.2	2621.44	402.97	42.03	1766.521
162	439	-40.2	1616.04	459.84	-20.84	434.3056
189	577	-13.2	174.24	599.43	-22.43	503.1049
218	722	15.8	249.64	749.36	-27.36	748.5696
247	903	44.8	2007.04	899.29	3.71	13.7641
315	1350	112.8	12723.84	1250.85	99.15	9830.723
350	1360	147.8	21844.84	1431.8	-71.8	5155.24
Average	202.2					
Sum			57523.6			33041.35

Table 11 Regression Analysis 6

## Step 8

$$(\sigma_{\beta_1})^2 = \frac{\frac{33041.35}{8}}{57523.6} = \frac{4130.17}{57523.6} = 0.0718$$
$$\therefore t_{\beta_1} = \frac{5.17}{\sqrt{0.0718}} = 19.30$$

$$|t_{\beta_1}| > t_{\alpha/2, n-2}$$

$$(\alpha = 0.05, df = n-2)$$

$$Y = -377.7 + 5.17(X)$$

$$SS_{Error} = \sum (Y(i) - \hat{Y})^2$$

$$SS_{Total} = \sum (Y(i) - \bar{Y})^2$$

$$SS_{Regression} = SS_{Total} - SS_{Error}$$

$$MS_{Regression} = \frac{SS_{Regression}}{df}$$

$$MS_{Error} = \frac{SS_{Error}}{df}$$

$$F = \frac{MS_{Regression}}{MS_{Error}}$$

x	Y	$Y(i) - \bar{Y}$	$(Y(i) - \bar{Y})^2$	$\hat{Y}$	$Y(i) - \hat{Y}$	$(Y(i) - \hat{Y})^2$
112	225	-443	196249	201.34	23.66	559.7956
130	200	-468	219024	294.4	-94.4	8911.36
148	459	-209	43681	387.46	71.54	5117.972
151	445	-223	49729	402.97	42.03	1766.521
162	439	-229	52441	459.84	-20.84	434.3056
189	577	-91	8281	599.43	-22.43	503.1049
218	722	54	2916	749.36	-27.36	748.5696
247	903	235	55225	899.29	3.71	13.7641
315	1350	682	465124	1250.85	99.15	9830.723
350	1360	692	478864	1431.8	-71.8	5155.24
Average	668					
Sum			1571534			33041.35

Table 12 Regression Analysis 7

## Conclusion

### SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.989
R Square	0.979
Adjusted R Square	0.976
Standard Error	64.265
Observations	10

### ANOVA

	df	SS	MS	F	Significance F
Regression	1	1538493.86	1538493.86	372.52	0.00000
Residual	8	33040.14	4130.02		
Total	9	1571534			

	Coefficients	Standard Error	t Stat	P-value
Intercept	-377.70	57.87	-6.53	0.00
X	5.17	0.27	19.30	0.00

Table 13 Regression Analysis 8

So a resolution rejecting all that is under the economic downturn. No significant change students enter the labor market, it is like stepping into a new innovation to their customers.

## Chapter 6

### Conclusions

“Economic crisis that affects Thai economic system leads to innovation under the pressure of economic system: case study: 5 entrepreneurs who succeed under the critical world economy in 2013” In general, we welcome the areas covered in this Plan. We have long advocated that a roof on its own is not enough to help people break out of homelessness and we are particularly pleased therefore that the plan addresses a broader range of issues than just housing. We welcome the emphasis placed on a joined up approach to addressing people’s needs looking not only at someone’s housing situation but also taking into account wider issues. The Plan rightly identifies a number of areas which we would support including prevention and housing advice, health and well being (including addressing substance dependency) and financial inclusion. The Plan’s focus on skills and employment is to be particularly welcomed as we know from both our practical experience and our research that the lack of work is a major cause and consequence of homelessness. Most homeless people have multiple labour market disadvantages. Almost all have extremely low employability. Our research has shown that with an employment rate of 15%, homeless people are five times less likely than the wider population to be in employment. Six in ten homeless people have low or no qualifications, putting over 80% of job vacancies beyond reach. However, we also know that most homeless people want to work and that improving their skills and progressing towards employment can be a key factor in helping people break out of homelessness. We also welcome the focus on some particular groups at risk of homelessness including prisoners, care leavers, asylum seekers and refugees and victims of domestic violence. We were disappointed however, that there is no specific mention of homeless women in the Plan. The situations faced by and experiences of homeless women can be distinct and unique and sometimes require gender specific policy responses. Research conducted for Crisis has shown that homeless women are often hidden from view and therefore hidden from services. There is a prevalence of rough sleeping amongst women and homelessness can have a particularly detrimental impact on women's health and well being. The research also finds that homeless women often resort to unwanted sexual liaisons in order to put a roof over their heads and frequently fail to access the assistance they need. We would therefore like to see specific mention in the Plan of the needs of homeless women and how best these needs can be met. We would be happy to provide more detailed policy proposals on this issue. Whilst a roof alone may not be enough to help people break out of homelessness, it is always necessary. We note the separate National Housing Strategy for Wales addresses many of the challenges around housing supply. Clearly, housing supply must be a key part of any approach towards reducing homelessness and we would highlight the importance of increasing supply across all tenures but with a particular focus on social housing. We also welcome the



Plan's proposals for greater use of the PRS to meet the housing needs of homeless people. We are disappointed however, that there is no mention of reviewing the PRS. Whilst the Plan has identified many of the issues and concerns associated with homelessness, we would reiterate our comments made above that there are further areas which require attention including a commitment to end rough sleeping by 2012, a strengthening of the homelessness safety net and proposals to address the specific issues faced by homeless women. One additional area which we feel needs further consideration is investment in improving the physical standards of homelessness services. This is crucial to create environments where people feel safe and valued; where people's health is improved and where they will be more.

Encouraged to engage with learning and skills activities and begin the journey to rebuilding their lives. We would like to see the Welsh Assembly Government learn from the experiences of the Hostels Capital Improvement Programme in England which invested £90m in delivering a step change in homelessness facilities, buildings and services, particularly day centres and hostels. A further £80m has been made available in England through the Places of Change Programme over the next 3 years. It is very difficult for homelessness services to change lives without this kind of capital funding and we would like a similar approach adopted in Wales. Crisis believes that, whilst the areas outlined in the Plan are to be welcomed, more detailed proposals are required on how best to take these issues forward. We would reiterate our previous comments of the particular importance of learning, skills and employment routes and the necessity of transforming the physical infrastructures of homelessness services in order to deliver better outcomes for individuals. We would also reiterate the importance of reviewing the homelessness safety net and committing to ending rough sleeping as steps towards reducing homelessness. We have welcomed increased access to the PRS. We would like to see a high quality PRS access scheme available to non statutory homeless people in every local authority across Wales. As the national advisory body for rent deposit schemes, we would welcome the opportunity to discuss further how we might be able to assist in realising this. We do not believe the Plan need be prescriptive about which organisation or body delivers which element but rather it should consider what examples of best practice already exist and how these can be supported, expanded and replicated. As these plans are taken forward, it is crucial that there is ongoing consultation with a range of stakeholders, including homeless people themselves who are best placed to advise on their own aspirations and needs and how existing services respond to these.

We would like to emphasise the importance of the relationship between the Welsh Assembly Government and the Westminster Government. Whilst many of the key areas identified in the Plan fall under the Welsh Assembly Government's responsibility, for example adult learning and skills, responsibility for other elements, such as back to work support, lies with the Westminster Government. The joining up

of employment and training systems to break the cycle of low paid, insecure work and unemployment is crucial and will necessitate close co-operation and partnership working between the two administrations. There are a number of other issues which fall under the responsibility of the Westminster Government including Housing Benefit which have an important role to play in reducing homelessness. Housing Benefit must be reformed in order to promote housing stability and so that it acts as a springboard rather than a barrier to work. The Westminster Government has announced a consultation on this issue and we hope that Welsh Assembly Government will be closely involved with this process.

We would like to reiterate that it is disappointing that the Plan does not commit to ending rough sleeping by 2012. This commitment has already been made by the Westminster Government and we believe that the Welsh Assembly Government should now follow this lead. Not only is this the right thing to do but achieving this target would also be a way of measuring the success of aspects of the Plan. As part of assessing progress on reducing rough sleeping, it is important to ensure that counts of rough sleepers are as thorough and accurate as possible. It is important that the Plan uses a wider definition of homelessness than just statutory homelessness acceptances. Crisis understands that it is difficult to accurately estimate the number of homeless households. However, statutory statistics alone will not provide a true picture of progress in reducing homelessness. Success should be measured by using statistics which capture and monitor what happens to all those who present at local authorities not just those who make a homelessness application and certainly not just those who are accepted as owed the main homelessness duty. We believe that using as wide a set of indicators as possible would prove more accurate in tracking progress including, for example, rough sleeping numbers and households in temporary accommodation. It is also important to measure progress across a broad range of indicators including homelessness prevention and the progress individuals make across a range of areas such as improved health, increased skills and avoiding repeat homelessness. Whilst we understand the need to measure progress, we would not of course want to see a situation where a focus on statistics detracts from ensuring that individuals can access the support they need. Generally, Crisis warmly welcomes this Plan as an important step towards reducing homelessness. We are pleased to see that the Welsh Assembly Government has recognised that tackling homelessness is about more than addressing housing need and that this Plan reflects that. Whilst this is a positive and well thought through document, we believe there are still lessons which could be learnt from neighbouring countries' approaches to addressing homelessness.

In particular, we would like to see lessons learnt from England in terms of the success there has been in transforming the physical standards of homelessness services and the positive aspects of having a greater focus on preventing homelessness (although this should never be instead of allowing the household to

make a homelessness application). We would also like to see the Government look to Scotland and the approach they have taken to reforming their homelessness legislation, by abolishing priority need by 2012 and reforming the rules around local connection and intentionality. Scottish homelessness legislation is now amongst the most progressive in the world and there are certainly lessons to be learnt from this.

We would reiterate that we would like to see a commitment to end rough sleeping by 2012. We also believe that the Welsh Assembly Government must commit to building more housing of all types. We would voice our support for the proposals put forward by Shelter Cymru in response to this consultation, particularly on housing advice. Finally, in a time of recession it is more important than ever that the Welsh Assembly Government works proactively to prevent people becoming homeless whilst also ensuring it does not forget those who already are. This Plan is an important first step in reducing homelessness and we look forward to playing our part as it is taken forward.

The great return :The BRIC era arrived at the end of a century in which global living standards had diverged remarkably. Towards the end of the 19th century America's economy overtook China's to become the largest on the planet. By 1992 China and India—home to 38% of the world's population—were producing just 7% of the world's output, while six rich countries which accounted for just 12% of the world's population produced half of it. In 1890 an average American was about six times better off than the average Chinese or Indian. By the early 1990s he was doing 25 times better. There followed what Mr Subramanian and Mr Kessler call "convergence with a vengeance". China's pivot towards liberalisation and global markets came at a propitious time in terms of politics, business and technology. Rich economies were feeling relatively relaxed about globalisation and current-account deficits. Bill Clinton's America, booming and confident, was little troubled by the growth of Chinese industry or by offshoring jobs to India. And the technology and managerial nous necessary to assemble and maintain complex supply chains were coming into their own, allowing firms to spread their operations between countries and across oceans. The tumbling costs of shipping and communication sparked what Richard Baldwin, an economist at the Graduate Institute in Geneva, calls globalisation's "second unbundling" (the first was the simple ability to provide consumers in one place with goods from another). As longer supply chains infiltrated and connected places with large and fast-growing working-age populations, enormous quantities of cheap new labour became accessible. According to figures from the McKinsey Global Institute, a think-tank, advanced economies added about 160m non-farm jobs between 1980 and 2010. Emerging economies added 900m.

Riding the whirlwind: The fruits of this cheap labour were huge steps forward in global trade. Merchandise exports soared from 16% of global GDP in the mid-1990s to 27% in 2008. The Chinese share of global exports topped 11%, with trade accounting for more than half of the country's GDP. Mr Subramanian and Mr Kessler

see China as the first “mega-trader” to grace the world stage since Britain’s imperial heyday. The growth in trade was matched by a growth in demand for commodities as China and the nations supplying it soaked up energy and raw materials such as iron ore, copper and lead (see chart 3). Prices surged, generating a bonanza for the emerging world’s commodity producers and contributing to a broad-based boom, to the great benefit both of fellow-BRICs Russia and Brazil and of smaller economies, including many in Africa. From 1993 to 2007 China averaged growth of 10.5% a year. India, with less reliance on trade, managed an average of 6.5%, more than twice America’s average growth rate. The two countries’ combined share of global output more than doubled to nearly 16%. Global financial imbalances ballooned. From 1999 advanced economies ran a current-account deficit which peaked at nearly 1.2% of rich-world GDP in 2006. Emerging economies’ combined current-account surplus peaked in the same year at 4.9% of GDP. Foreign-exchange interventions made the export surge doubly tricky to manage. After the financial crises of the late 1990s many emerging economies began accumulating dollar reserves to protect themselves against being caught short by big foreign-exchange outflows. Building up reserves helped the growing economies to hold exchange rates below the levels they might otherwise attain, keeping exports relatively cheap. China was a particularly enthusiastic reserve accumulator, and now sits atop a \$3.5 trillion hoard, more or less all of it piled up since 2000. All told the BRICs have reserves of about \$4.6 trillion. This reserve accumulation contributed to a global savings glut, and the resulting low interest rates encouraged heavy public and private borrowing in the rich world. Some reckon currency manipulation also repressed consumption in emerging markets, so that their exports to big advanced economies like America were not offset by a corresponding rise in consumption of imports. Daron Acemoglu, David Autor and Brendan Price of the Massachusetts Institute of Technology, David Dorn, of Madrid’s Centre for Monetary and Financial Studies, and Gordon Hanson, of the University of California, San Diego, argue that the “sag” in employment growth in America in the 2000s can be blamed in large part on the country’s unreciprocated taste for Chinese imports. Not all the effects of the BRICs’ growth were to be felt as promptly; some, for good and ill, will not be experienced in full measure for decades. Bigger economies mean bigger armies. They also mean flourishing universities: in 2030 China may have 50m more science and engineering graduates in its workforce than it did in 2010. And their growth has entailed an historic rise in greenhouse-gas emissions, now a third higher than they were in 1997, as well as heaps of local environmental damage. China is now the world’s largest carbon-dioxide emitter; America is the only non-BRIC in the top four. But though the impact of the recent rapid change will be felt far into the future, the change itself is moderating. Various signs suggest that an important inflection point has been reached. The emerging world will continue to grow in economic importance. But the pace at which it does so will slow as the BRICs put the days of their steepest ascent behind them. Take a deep breath: The emerging economies’ share of output is no longer rising as fast as it did in the 2000s. In 2009 the year-on-year increase in that share was almost one and

a half percentage points (see chart 1). Now it is back below one percentage point. This tallies with a striking slowdown in BRIC growth rates. In 2007 China's economy expanded by an eye-popping 14.2%. India managed 10.1% growth, Russia 8.5%, and Brazil 6.1%. The IMF now reckons China will grow by just 7.8% in 2013, India by 5.6%, and Russia and Brazil by 2.5%. Unsurprisingly, this means that the BRIC economies are contributing less to global growth. In 2008 they accounted for two-thirds of world GDP growth. In 2011 they accounted for half of it, in 2012 a bit less than that. The IMF sees them staying at about that level for the next five years. Goldman Sachs predicts that, based on an analysis of fundamentals, the BRICs share will decline further over the long term. Other emerging markets will pick up some of the slack. Yet those markets are not expected to add enough to prevent a general easing of the pace of world growth. After two decades of rapid growth the most populous emerging economies have taken advantage of most of the easiest steps on the ladder to prosperity. An illustration: in 1997 none of the fastest 100 supercomputers in the world was to be found in a BRIC. Now six computers in China grace that list, as do six from other BRICs. And one of them tops it: Tianhe-2, designed and built at the National University of Defence Technology in Changsha, crunches numbers faster than any other device in the world. That is an extraordinary achievement, and the potential for growth as such technology spreads wider is clear. But it is also an indication that the country's growth will not now be as quick as it used to be. Bleeding-edge innovation is harder than catching up. Other countries have impressive growth potential. Goldman Sachs touts a list of the "Next 11" which includes Bangladesh, Indonesia, Mexico, Nigeria and Turkey. But there are various reasons to think that this N11 cannot have an impact on the same scale as that of the BRICs.

The first is that these economies are smaller. The N11 has a population of just over 1.3 billion. That is less than half that of the BRICs. The N11 is barely more populous than India, which is the BRIC with the greatest possibility for growth still ahead of it, if only it could reform itself enough to put more of those people to work. The second is that the N11 is richer now than the BRICs were back in the day. Economists reckon that the bigger the gap between a country's output per person and that of the technological leader, the faster the economy is capable of growing. Weighted by population, the average per person output of the N11 is already 14% of that in America. When the BRIC economies began their economic surge their population-weighted output per person was just 7% of America's. It is a measure of the continued potential for growth in India, where population has risen fast, that its figure today is still just 8%. It is not just the N11. The world as a whole has less catch-up potential than it used to. Its most populous countries are no longer all that poor and its poor countries are no longer all that populous. Two decades of BRIC-led growth mean that there are far fewer people earning very little. In 1993 about half the world lived at below 5% of American GDP per person, according to an analysis of IMF figures by The Economist (see chart 5). In 2012 the equivalent figure was 18%

of American GDP per person. The third reason that the performance of the BRICs cannot be repeated is the very success of that performance. The world economy is much larger than it used to be: twice as big in real terms as it was in 1992, according to IMF figures. That means that emerging markets—whether the BRIC economies or the N11 or both—must deliver larger absolute increases in output to generate a marginal economic boost matching that seen in the 1990s and 2000s. The same maths apply to labour markets. New additions to the workforce will henceforward have a harder time disrupting the global economy. The billion jobs that the McKinsey Global Institute sees as having been added to non-farm employment from 1980 to 2010 boosted it by 115%. If the world were to put on another billion jobs from 2010 to 2040 that would represent just a 51% increase in world employment: impressive but much less dramatic.

Making the best of it :The reality may be a good bit less dramatic still. Some developing economies will add hundreds of millions of new workers in coming years. But some of that contribution will be offset by the ageing of populations elsewhere. China's working-age population began shrinking in 2012. India, with more favourable demographics, is struggling to create enough employment; it added no net new jobs between 2004-05 and 2009-10, according to a recent survey. Big demographic booms are brewing elsewhere: Nigeria, for example, may be more populous than America in less than 40 years. But such growth will have its peak impact only decades from now. The way that the world economy reacted to the rise of the BRICs has also made it less prone to further shocks of a similar sort. Markets have responded to soaring commodity demand and prices. Firms and households are saving on inputs; businesses and governments have rushed to develop new resources, as seen in the shale oil-and-gas bonanza now unfolding in North America. Currency adjustments have narrowed deficits. The Chinese yuan has appreciated by roughly 35% against the dollar since 2005. Emerging-world reserve accumulation has diminished along with current-account imbalances. Since 2011 Chinese reserves have been mostly flat. Indeed in recent years reserve outflows have been a problem for some emerging markets. An easing in the stride of the emerging-market giants will be cause for anxiety first and foremost for the residents of those countries, where the growth that has delivered higher living standards has also whetted appetites for more. The transition need not be painful. In China a slower overall growth rate may feel fine to workers if the share of consumption in the economy rises relative to investment. In India, though, the picture is not so pretty.

A rising tide may lift all boats; a falling one reveals who has no bathing trunks on. Weaker conditions could place pressure on financial systems in emerging economies about which investors begin to worry. If central banks fail to stem capital outflows then slower growth could give way to outright contraction. Many countries will find that commodities no longer provide a crutch. David Jacks, an economist at Simon Fraser University in British Columbia who studies long-run commodity-price

movements, reckons that prices may have already begun a sustained period of below-trend price growth. Internationally, lower growth could focus leaders on increased co-operation and a new push for liberalisation. The BRIC era took place in the absence of major new trade liberalisation (though China's entry into the World Trade Organisation was an important landmark); with trade growing so healthily anyway, the rewards were harder to appreciate. A slowdown could bring new focus to global trade talks. A deal that addressed non-tariff trade barriers, and especially those on trade in services, could yield big benefits. There is a risk, though, that matters may move in the opposite direction. The rich world is more cautious about globalisation than it was a decade or two ago, and more interested in maintaining its export competitiveness. A century ago the world's last great era of trade integration ended with a war and ushered in a generation of economic nationalism and international conflict. The recent proliferation of regional trade agreements could signal a move towards fractionalisation of the global economy. And slowed growth in the now-large BRICs could lead to the sort of internal tensions that countries can displace by picking external fights. Whether or not the world can build on a remarkable era of growth will depend in large part on whether the new giants tread a path towards greater global co-operation—or stumble, fall and, in the worst case, fight.

“Trend ”Make a Difference.Takes on the Home decoration Market Whether you are looking for product type, materials, quality or design, Thai home decorative items offer the widest range of variety worldwide.The same goes for Trend 11 products, which have been accepted and attracted interest from Thai and foreign customers because of unique designs and natural materials made to “catch your fancy” Suvitchalee Boonyavanit, Managing Director of Trend 11 Ltd., Part., shares how she began this work because she “loved” it, so she gave up her life as a civil servant in pursuit of a career in the home decoration business, She used her educational media background as a teacher to promote her business, selling goods like dining sets, chairs, screens and mobiles. As Suvitchalee tells us, she stated out making ceramic products. However, due to the impacts from China and Vietnam, she looked into wooden furniture with domestically available materials like mango wood and rain tree wood, using metal to reinforce her work pieces. Because of my love of nature, each of my creations adopts natural forms and designs that are compatible with nature. I’m now very successful with each piece. The response to “Vintage” has been particularly positive. We have continually designed in line with trends and introduced new designs. We also allow customers to participate in design, providing full consultation and services for customers. Most importantly, we display our raw material sources, especially wood, as verification that the wood used was not prohibited. “Whether for BIG&BIH, TIFF, furniture work, home work, garden work and resort hotel businesses, most of our orders and customers come from fairs. We also have showrooms and factories in Chiangmai.” In terms of product exports, we sell many of our products overseas to Europe, America and Japan. We did, however,

have problems with monetary value last year that reduced our export from fifty million baht per year to about twenty million baht per year, Consequently we are currently focused on the domestic market. Regardless, we have not abandoned exports. We target new generation Chinese, Vietnamese and Japanese as a new and interesting market In parting, Suvitchalee left us with the following, “if you are looking for wooden home decoration furniture goods calling attention to nature and different styles, please remember Trend 11 products. You will not be disappointed”

“BAANCHAN” Introduces Woven Leather Works A solution of Thai Hotel Customers Nationwide. The Baan Chaan brand has become another important manufacturer in Thailand’s furniture industry, whether in lamps, leather seats or glass with “woven leather” as a special feature accepted by hotel and restaurant businesses. Manphun Roekchamnong, Managing Director of the Baan Chaan co., Ltd. Says she and her sister enjoy looking at home decorations and she wanted to work in this field, even though she had no knowledge about design. When the opportunity presented itself, she left her regular job and became fully devoted to this business. Baan Chaan products are notable for individuality. They make customers think of matchless hand-woven leather lamps. The leather gives the lights a luminescence that distinguishes them from other materials. And leather can provide different lighting effects by simply changing the weaving method. Over the past 7 years, Baan Chaan has become a familiar brand among architects and interior decorators working together on various projects. Most of our major domestic customers are hotel customers at eight percent with restaurant and retail businesses making up the rest. In addition, thirty percent of domestic hotel orders are made for export to regular customers in Singapore, America, Australia, Korean and Taiwan. We are preparing to access South African markets in the future because the details are similar. However, Baan Chaan product designs are not seasonal like other fashion products. New collection designs depend on fair schedules. In closing, Manphun would like Thai craftsmanship to be meticulous because she believes Thais can produce fine quality work with good support and a wide customer base, she would like more support for the Thai job market. The same is true for new generation designers. Manphun would like new generation designers to perform their work attentively because the new generation dares to use and do more.



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