

# Decline in three areas alarming

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If a competitiveness index reflects the potential for a country to provide a better standard of living for its citizens, Thailand now stands a poor chance of succeeding.

The World Economic Forum's Global Competitiveness Report for 2010 showed that the country did worse, with a ranking of 38th among 139 economies surveyed, falling two places from last year and 10 from 2006. The most distressing decline has been in the quality of public institutions, health and school-level education, says Pongsak Hoontrakul, a senior research fellow at the Sasin Graduate Business School Administration at Chulalongkorn University.

"Compared to [three Asean peers] Malaysia, Indonesia and Vietnam, Thailand has done well in physical infrastructure, but it is below par in primary and higher education. The weakest of all are public institutions and innovation," said Dr Pongsak.

Public institutions have dropped 30 places over the past four years to 70th in 2010, while primary education fell 22 places to 80th and technological readiness two places to 68th during the past two years.

The Geneva-based WEF has designated Sasin to survey local business executives whose views have made up two-thirds of the report over the past three years. The remaining results were based on hard data available from various sources.

Piyachart Phiromswad, a lecturer at Sasin, said the fact that the local survey formed the majority of the ranking was a key difference from another report by the Lausanne-based Institute for Management Development (IMD). The country's ranking of 26th in the IMD survey was the same as in 2009.

Another difference was that the WEF classified countries based on stage of development into factor-driven, efficiency-driven, which includes Thailand, and innovation-driven. The WEF assigned different weights to criteria for each stage.

"Major weaknesses in local executives' views are institutions (47th in the WEF survey), health and primary education (63rd), financial market sophistication (52nd) and technological readiness (45th). Three-quarters of the factors worsened. It is likely because the survey was conducted in May during which Thailand experienced its political crisis," said Dr Piyachart.

In terms of institutions, the survey showed that trust in politicians was the lowest in the "Asean four" group (Thailand, Indonesia, Malaysia and Vietnam), with parliamentary efficiency standing below par, but trust in the honesty of the judicial system was the highest in the group.

"The survey showed that there was indifference on the part of governments," said Dr Pongsak. "In my personal opinion, democracy results in subtle failures. Politicians are preoccupied with immediate problems, but they do not discuss the medium- and long-term issues. It also showed that politicians should learn something from the Thai courts."

He said the survey pointed out that the government should pay attention to improving the quality of education at the school level as the country ranked 80th, far behind Vietnam (65th), Indonesia (62nd), Malaysia (34th) and Singapore (3rd).

"The quality of the country's primary education is very poor. I have heard some engineering campuses closed courses for lack of qualified students. The shortfall in education is a crime against humanity," he said.

Surprisingly, the country outperformed the Asean four group for quality of roads, electricity, telephone and mobile service, but lagged in its railway system. The local financial market is above par, but a lack of venture capital weighs down business startups.

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Piyachart: Survey taken during unrest



Pongsak: Politicians think only short-term