

# Shining a light on our fading competitiveness

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## **A Chulalongkorn University study identifies weaknesses in public institutions, healthcare, education and new technology as the key reasons for Thailand's slide in global rankings**

Dr Pongsak Hoontrakul, a senior research fellow at Sasin Graduate Institute of Business Administration, Chulalongkorn University, recently conducted an in-depth analysis of Thailand's declining competitiveness.

As ranked by the World Economic Forum (WEF), the country has fallen 10 places over the past four years.

Pongsak and colleague Dr Piyachart Phiromswad found that Thailand's key weaknesses lie in public institutions, healthcare and education as well as readiness to embrace new technology.

Over the past four years, Thailand has slipped in the WEF's annual ranking, from the 28th slot in 2007 to 38th this year.

The WEF uses 12 criteria to analyse the competitiveness of countries covered by its global ranking. It also uses a wealth of input from executive opinion surveys done in each of the 130-or-so countries.

These criteria are: institutions, infrastructure, macro-stability, primary education, higher education, good market efficiency, labour market efficiency, financial market sophistication, technology readiness, market size, business sophistication and innovation.

In Pongsak's opinion, the political concerns are the biggest challenge to Thailand's international ranking.

"The Thai people's lack of trust in politicians is the worst of any [Asean](#) country, but our judiciary remains resilient with a relatively high degree of integrity."

"In fact, business leaders said that the government has not done enough to combat bribery and corruption. Maybe the executive and legislative branches should learn something from the judiciary."

"Is it because of a different organisational culture, structure or financial compensations that these three branches of government deliver such different results?"

"We need a more stable and effective administration. Incidentally, the business community is generally indifferent to the form of government."

"More importantly, we have faced what should be called subtle failures, such as the steady decline in the quality of primary education."

"In 2008, we were ranked 58 out of the 130-or-so countries. In 2009, we slipped to 61 and this year we fell further to 80."

"In comparison to our neighbours, we've dropped 19 places behind Vietnam [65th place], with Indonesia in 62nd place, Malaysia 34th and Singapore 3rd."

"While the quality of our primary education is lagging far behind, our management and science education is fortunately on a par with our neighbours."

"But primary education is the basic drive for our long-term prosperity and weak performance in this area would affect innovation and research development as well as the country's readiness to adopt new technology."

"In my opinion, the current government's policy on free schooling up the age of 15, and the handout of free textbooks and school uniforms, doesn't necessarily lead to a higher quality of education."

"Maths and science are the keys and there remains a wide gap in the quality of education in these areas among different school categories."

"In reforming our primary school system, we may learn from selected higher-education institutes [such as Sasin which is now one of only four [Asean](#) management schools accredited internationally]."

"Thailand's successful higher-education institutes have something in common, namely, openness, foreign engagement and privately-driven incentives."

"Some of these features could be used to improve the quality of primary education," he said.

On the positive side, Thailand still enjoys the benefits of a relatively large domestic and export market, ranked 23rd in the 2010 survey, a relatively good transport infrastructure (23rd), efficiency of the labour market (24th), and good market efficiency (41st).

In addition, the country's business environment is relatively sophisticated (34th) with developed clusters and companies across the value chain.

In short, the country needs to improve its institutional capabilities, especially those concerning intellectual property rights and the police force, while at the same time improving the quality of primary education.

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