



# FPO Symposium 2019

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Santitarn Sathirathai, PhD, Group Chief Economist, Sea Group

# Four Main Contributions



## 1. Where you live matters

*Province vs Regions vs Households as appropriate unit of analysis for policy*



## 2. The Framework

*Sorting provinces into buckets based on Technical Efficiency and Economic Readiness Index (EFRI)*



## 3. Policy Targeting

*How to utilize the framework to achieve better budget allocation and targeting*



## 4. The Database

*Linking various household, provincial, industry-level data together*



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# Where you live matters

Province vs Regions vs Households

## 1. The Unit of Analysis

# Why should we focus on the provincial level?

*A rationale should be included in the literature review & introduction*

### Scale of Unit of Interest



National

Regional

**Provincial**

Sub-Provincial

Households



Individuals

### Unanswered Questions

Spillover Effects?

Common determinants?  
*(Institutions, geography, etc.)*

Data Availability?

Policy Practicality?



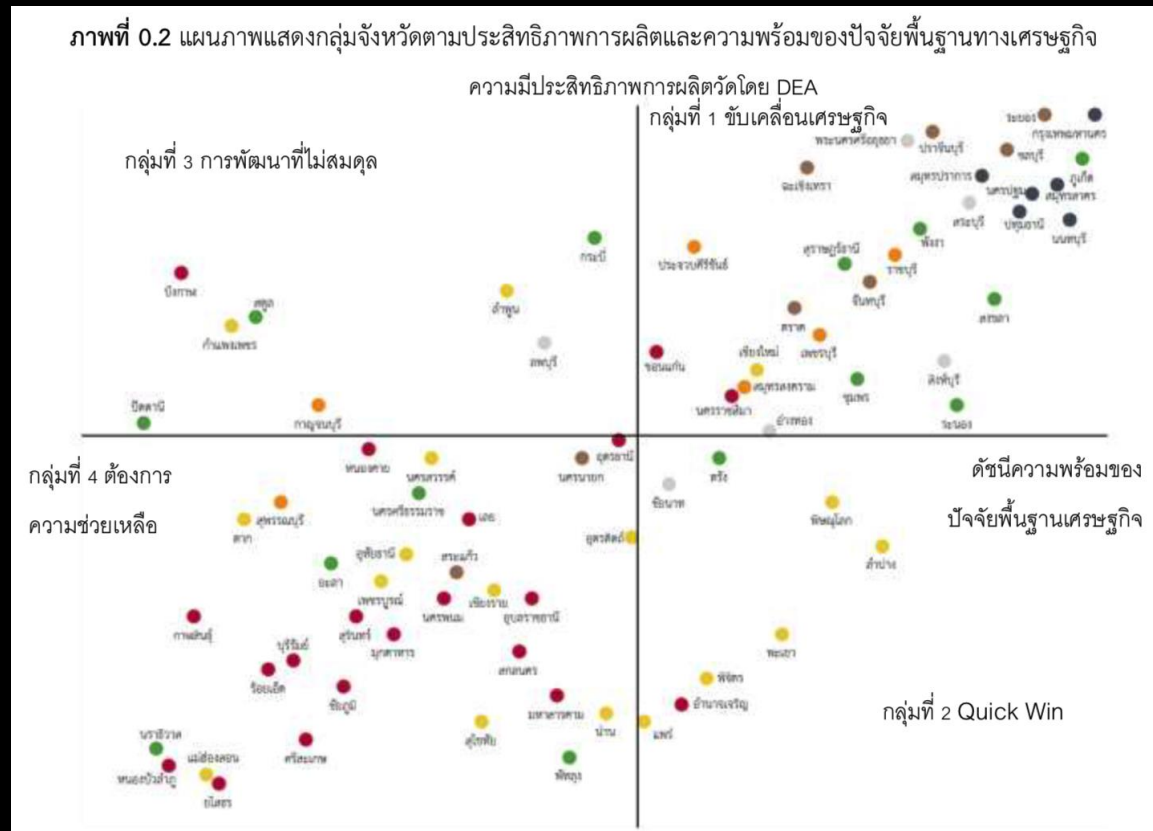
# 2

## The Framework

Technical Efficiency vs Economic Readiness

## 2. The Framework

# Technical Efficiency vs Economic Readiness Index



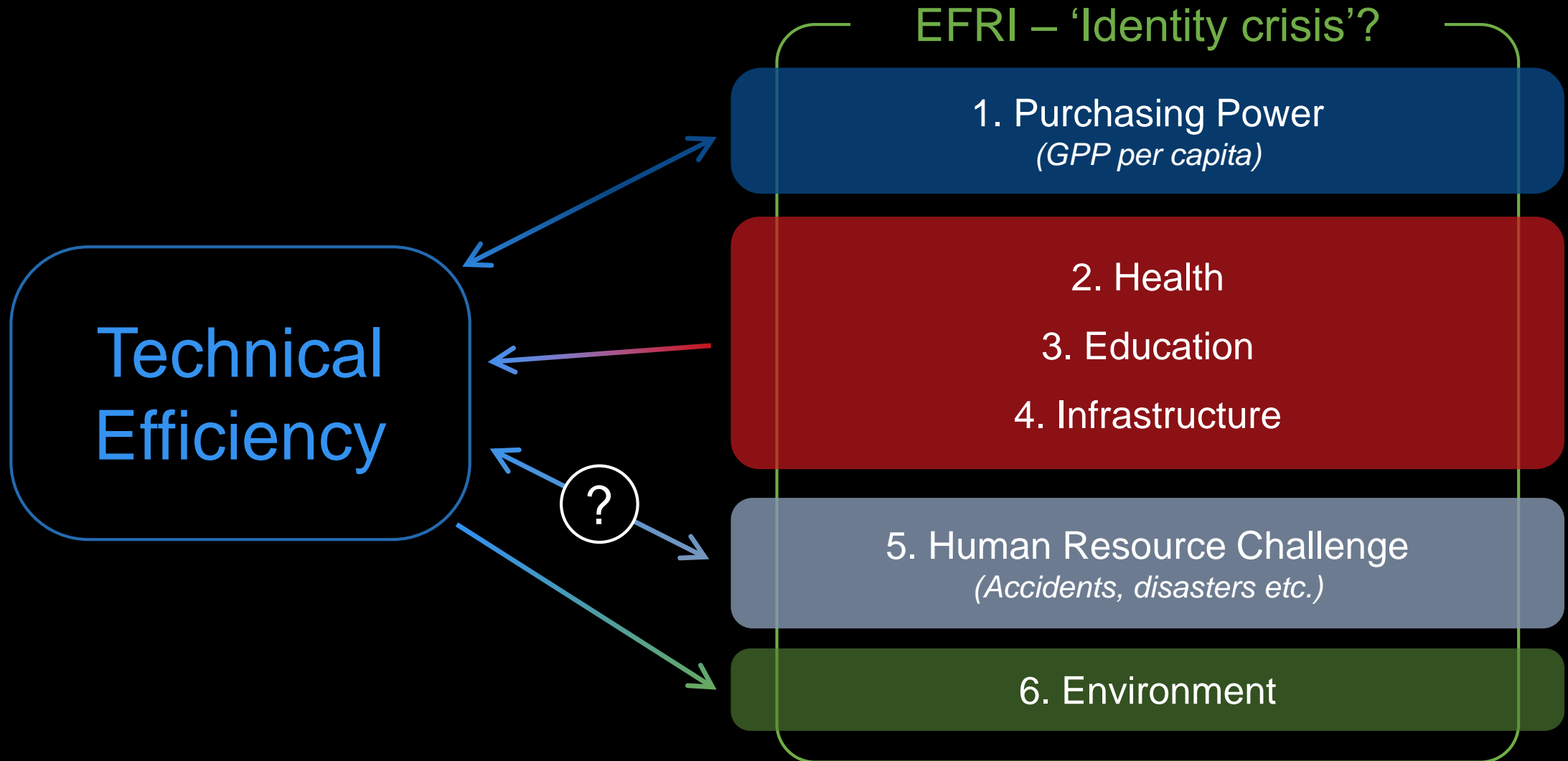
Technical Efficiency

VS

Economic Fundamental  
Readiness Index (EFRI)

Relationship Status: "It's Complicated"

# Technical Efficiency vs EFRI





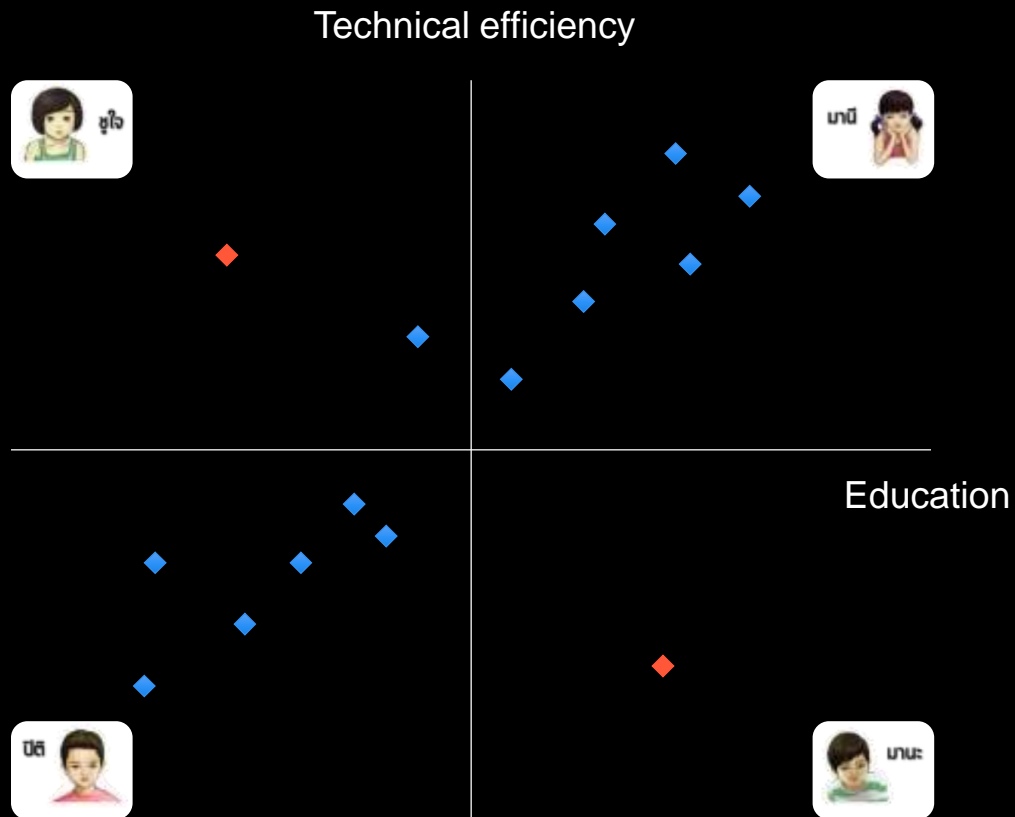
## 2. The Framework

# EFRI as a Determinant of Efficiency

Economic Fundamental Readiness



Technical Efficiency



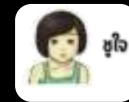
Need Empirical Work



Q1: Success Case



Q2: Other determinants at play (e.g. infra, institution)?



Q3:



Q4: Laggards → Need more education

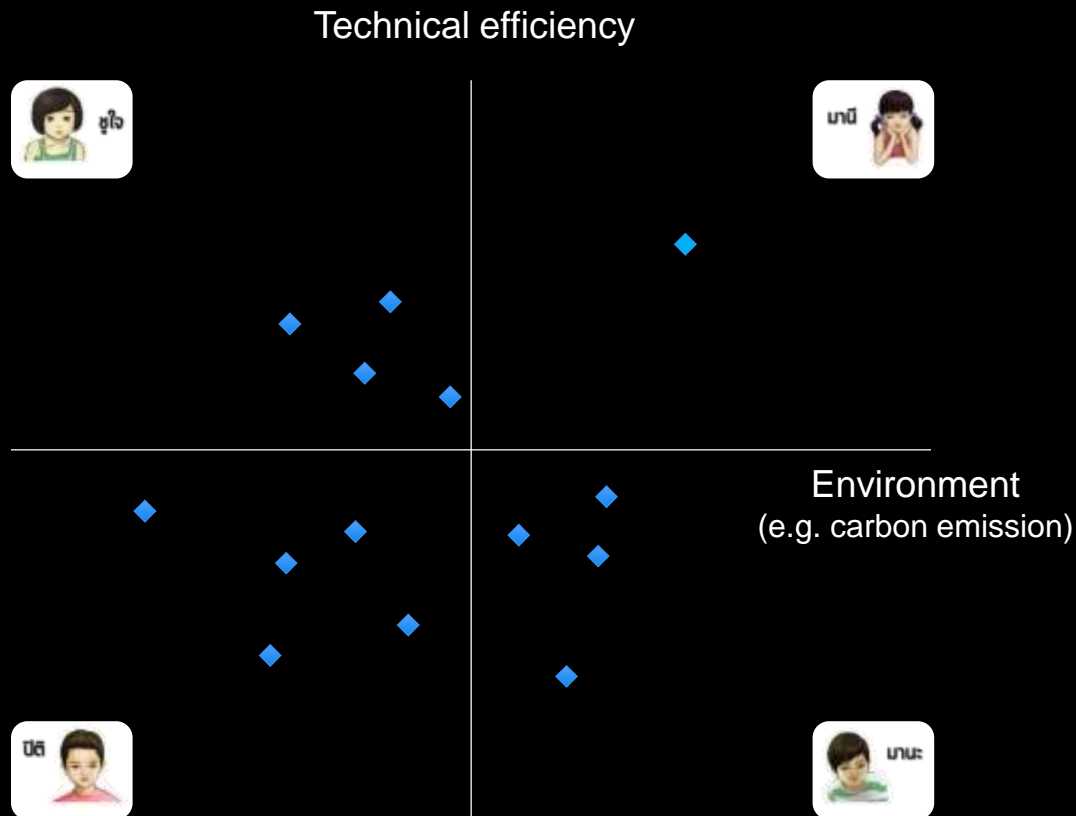
## 2. The Framework

# EFRI as Sustainability Indicator

Technical Efficiency



Economic Fundamental Readiness



### Different Policy Prescription



Q1: Success Case



Q2: Lack of economic opportunities?



Q3: Need to focus on sustainability and quality of growth?

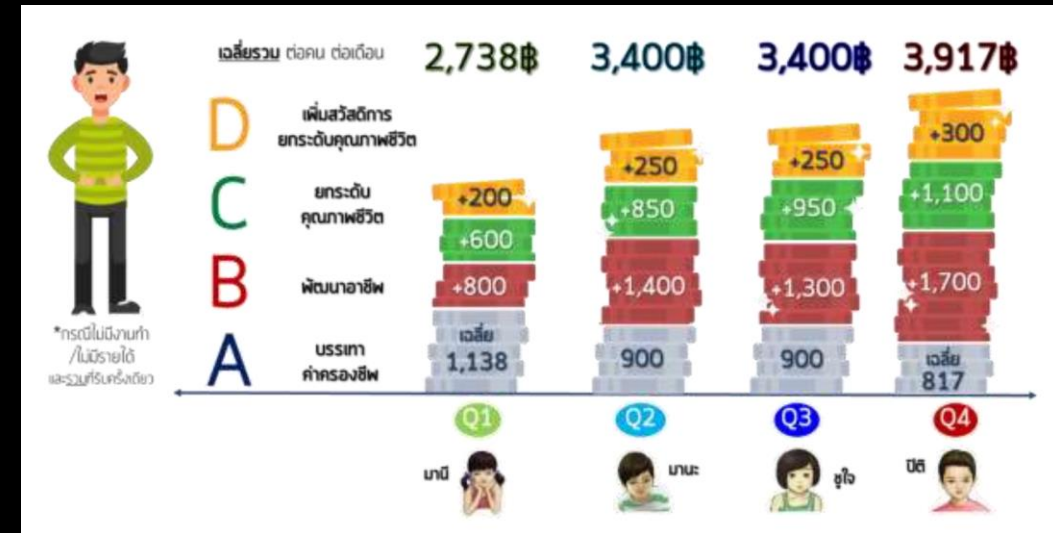


Q4: Laggards



## 2. The Policy Implications

# Strengthen the link between Policy Recommendations and Framework



### Key Idea

We can improve targeting by taking into account which provinces the households are located in.

- More productive provinces tend to have higher costs of living
- Less productive provinces tend to need larger budget

But can we attain the same results by just looking at technical efficiency alone, or even GPP per capita?

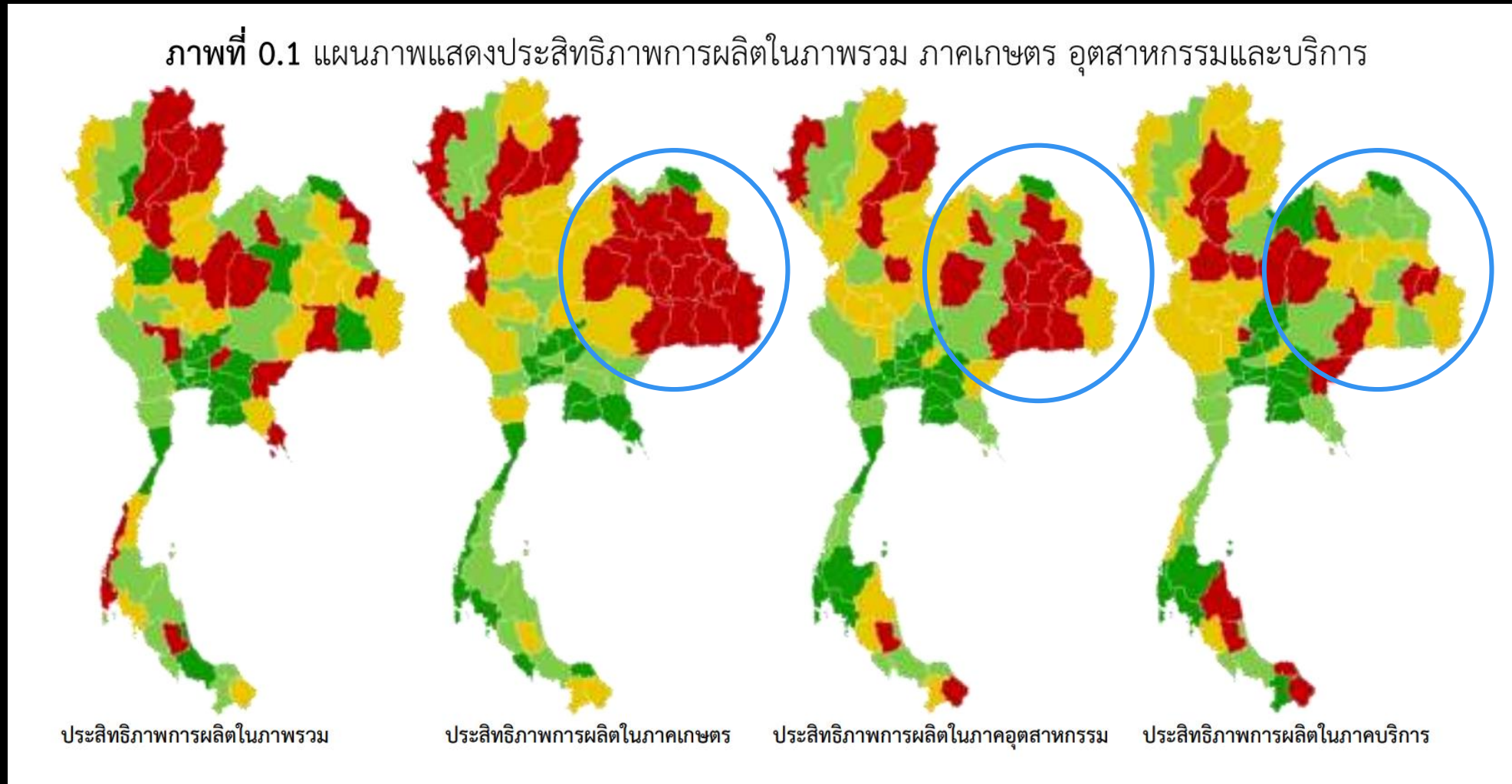


# 4 Other Areas to Explore

Using the constructed database

Other Areas to Explore

# Technical Efficiency Varies by Sector – Service sector is different?



Other Areas to Explore

# Example: Ecommerce can help retail sector

*Less constrained by low purchasing power at home and poor physical infrastructure*

Currently (Existing Sellers)



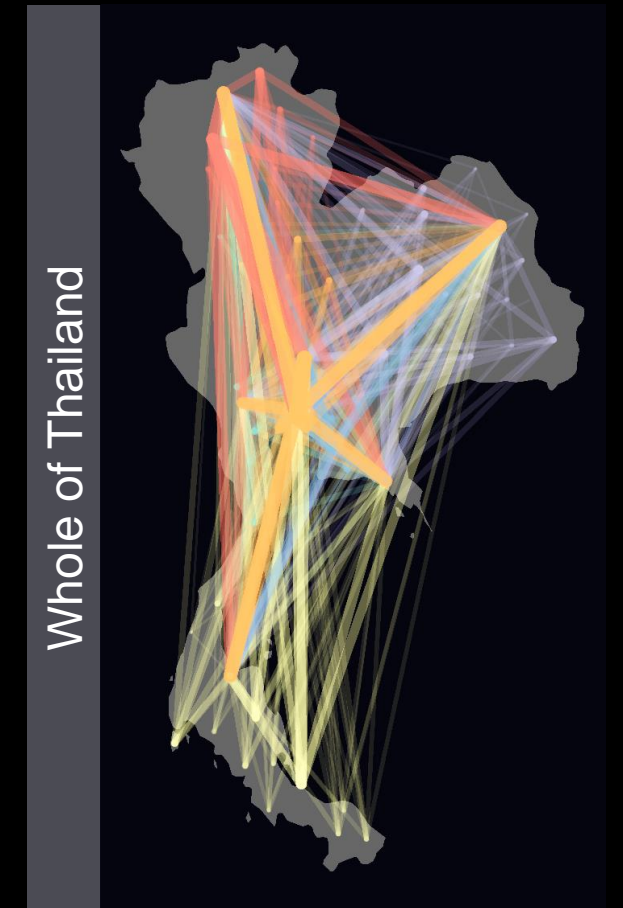
Before  
E-commerce:  
**4,500** Trade  
Connections



Currently:  
**8,800** Trade  
Connections

N and NE  
saw biggest  
increase

Currently (Existing Sellers)





# 5 Conclusion



# Four Main Contributions

Focus – Can the report be divided into smaller more focused papers?

## 1. Where you live matters

*Province vs Regions vs Households as appropriate unit of analysis for policy*

Could have further justification for focusing on the provincial level

## 2. The Framework

*Sorting provinces into buckets based on Technical Efficiency and Economic Readiness Index (EFRI)*

Could revamp the EFRI

## 3. Policy Targeting

*How to utilize the framework to achieve better budget allocation and targeting*

Could make the link between the framework and policy prescription tighter

## 4. The Database

*Linking various household, provincial, industry-level data together*

Useful database – can be used to explore other interesting questions that came out of this study

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