

## Impact of Eastern Economic Corridor (EEC) on Thailand 4.0 Model

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### Abstract

This research was set up in 2 research questions: What are the current situations of Eastern Economic Corridor (EEC) which impact on Thailand 4.0 model, and how can innovates be more effective for Thailand 4.0? It put adaptive these into two research objectives: Finding out the current situations of Eastern Economic Corridor (EEC) which impact on Thailand 4.0 model, and finding out more effective ways to innovate for Thailand 4.0 model. With the research methodology, in mix of qualitative and quantitative methods, by the conceptual of framework for collecting the data from Eastern Special Development Zone Committee (ESDZ) Key Contributors to research or Key Informants as Population and Sample size in this research, the author refer the concept of Organization Management in Management level to analyze the order of the key informants. For research objective which aimed to find out the current situation of EEC impact on Thailand Development, this research study found that EEC had impact by influential factors including organization development, Mckinsey's concept with Social relation, Kotler's concept with Productivity, and Thailand development in policy and plan. By the result of this study, almost of key informants have the opinions in the same directions that means hypothesis and its subcomponents in each concept/component on frequency of positive comments were passed, no any frequency of negative comments presented. By average, Frequency Distribution in almost Strongly Agreement or Very High in Class Intervals. Therefore, all Test Results were accepted.

**Keywords:** Eastern Economic Corridor (EEC) Special Economic; Development Zone (SEDZ); Thailand 4.0

### Introduction

This research, Impact of Eastern Economic Corridor (EEC) on Thailand 4.0 is the deep study in the field of administrative management in organization development (Beckhard, R.1969) by research approach in depth-study insight the Economic project in Eastern Special Development Zone Act B.E.2561 (2018) or ESDZ Act 2018 (Thailand Government, 2019) which purposing Thailand to be the modernization country in the next decade. (EEC: the Prime Gateway to Asia Handout, 2018) Historically, throughout the past 40 years, Thailand has had

an economic structure of 1.0, emphasizing the agricultural sector. And later developed into 2.0 is the light industry focus. And today is the 3.0 is a heavy industry focus. (National Economic and Social Development, 2017). The traditional policy has made Thailand suffer from a middle-income trap for a long time. To get Thailand out of the trap until the middle income, (The Government Public Relations Department, 2016) Thailand needs to change its economic structure to "Value-Based Economy" or "Thailand-based economy" or "Thailand 4.0". (Eastern Economic Corridor Office. 2018).

### Research Objectives

1. In order to find the answers to the research questions, it put adaptive these into two research objectives:

2. Finding out the current situations of Eastern Economic Corridor (EEC) which impact on Thailand 4.0 Economic Model; and Finding out more effective ways to innovate Eastern Economic Corridor (EEC) for Thailand 4.0 Economic Model.

### Research Framework

A conceptual framework was developed based on the findings from data analysis and previous qualitative studies (Aubrey, Bob (2015). to articulate the links between Eastern Economic Corridor (EEC) as the influential factors and Thailand 4.0 Economic Model effectiveness, the suitable core concept/theory in this study. (Mc Donald, D., 2014).

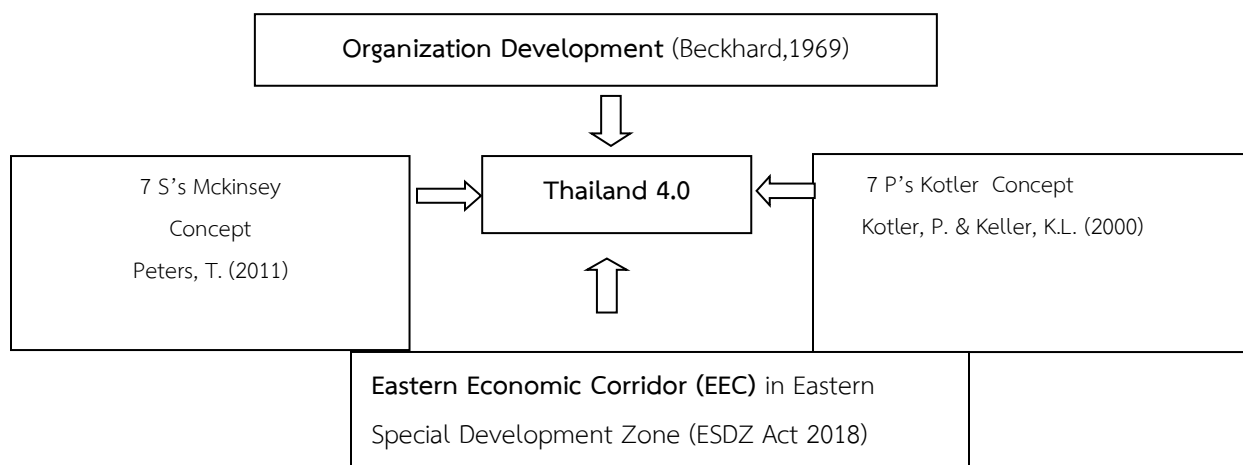


Figure: Conceptual Framework from Original Research

## Results

Meanwhile, there were 2 of main approaches have to considered as the mixed method in this research. The author has designed the questionnaire for quantitative method and depth-interview for qualitative method in the same paper.( The Government Public Relations Department2016).

**Part 1:** Demographic and distribution profile of respondents Consequently, majority of gender were female and male are equal gender at 50.0 percentage each.

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
female	10	50.0	50.0	50.0
male	10	50.0	50.0	100.0

The age of majority of the group was less 30 years old at 60.0 percentage.

Age	Frequency	Percent	Valid Percent	Cumulative Percent
≤30.	12	60.0	60.0	60.0
31-40 yrs	5	25.0	25.0	85.0
41-50 yrs	2	10.0	10.0	95.0
51-60 yrs.	1	5.0	5.0	100.0

The education background of majority group was Bachelor Degree level at 35.0 percentage.

Education	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor	7	35.0	35.0	35.0
Master	6	30.0	30.0	65.0
Doctoral	2	10.0	10.0	90.0
Other	5	25.0	25.0	100.0

The position in working level of majority was the low level as at 75.0 percentage.

Position	Frequency	Percent	Valid Percent	Cumulative Percent
Top	1	5.0	5.0	5.0
Middle	4	20.0	20.0	25.0
Low	15	75.0	75.0	100.0

Finally, year of work of majority group at 6-10 years experiences in working period at 35.0 percentage.

Yr. Work	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 yrs.	5	25.0	25.0	25.0
6-10 yrs.	7	35.0	35.0	60.0
11-15 yrs.	3	15.0	15.0	75.0
Over 15 yrs.	5	25.0	25.0	100.0

Accordingly, in part 2 of the questionnaire which supported the quantitative approach, there are 4 main conceptual groups, including organization development, administrative approach on 7 S's Mckinsey and social relation, 7 P's Kotler (Kotler, P. & Keller, K.L.,2000) and productivity, and Eastern Economic Development Zone. As a result, the conclusion of data analysis could present at the point in brief from the collecting data.

In Organization Development concept (Richard, B. (1969), Key Informants from ESDZ in brief the most supported in EEC enhance related organizing development, and the least supported in EEC make operation flexibly, as the same as EEC quick fix the problem. At average of this section was Mean at Class Interval very high in sum. 7 S's Mckinsey concept (Peters, T. ,2011)., Key Informants from ESDZ in brief the most supported in EEC has administrative persons, as the same as EEC has administrative skill performance persons, and the least supported in EEC has administrative structures. At average of this section was Mean (X bar) at Class Interval very high in sum.

7 P's Kotler concept, Key Informants from ESDZ in brief the most supported in EEC has service proposal, as same as EEC has managing personal, and EEC has service productivities also, and the least supported in EEC has managing service channel management as same as EEC has service promotion. At average of this section was Mean (X bar) at Class Interval very high in sum.

Eastern Economic Development Zone concept, Key Informants from ESDZ in brief the most supported in EEC is spread prosperity project to region, and the least supported in EEC reduces income inequality as same as EEC uses land worthwhile At average of this section was Mean 4.53, S.D. 0.56 at Class Interval very high in sum.

**Part 2:** By quantitative method in concepts of organization development, Mckinsey's concept in administrative approach, Kotler's concept in managing approach, and contents of EEC in Eastern Economic Development zone,

### Organization Development concept

The most supported in EEC enhance related organizing development (D3: Mean 4.60, S.D. 0.49 at Class Interval very high), and the least supported in EEC make operation flexibly (D7: Mean 4.45, S.D. 0.50 at Class Interval very high), as the same as EEC quick fix the problem (D8: Mean 4.45, S.D. 0.50 at Class Interval very high). At average of this section was Mean 4.49, S.D. 0.56 at Class Interval very high.

Analyzed in Organization Development concept

Code	Item	Valid	Mean	S.D.
D1	EEC is a factor for growing to the region	20	4.45	0.67
D2	EEC causes develop country economic	20	4.50	0.59
D3	EEC enhance related organizing development	20	<b>4.60</b>	<b>0.49</b>
D4	EEC make relationship in the organization	20	4.50	0.59
D5	EEC coordinate participants	20	4.50	0.59
D6	EEC make participant satisfy in working	20	4.50	0.59
D7	EEC make operation flexibly	20	4.45	0.50
D8	EEC quick fix the problem	20	4.45	0.50
<b>D</b>	<b>Average</b>	<b>20</b>	<b>4.49</b>	<b>0.56</b>

7 S's Mckinsey and Social relation concept

The most supported in EEC has administrative persons (S5: Mean 4.65, S.D. 0.48 at Class Interval very high), as the same as EEC has administrative skill performance persons (S6: Mean 4.65, S.D. 0.48 at Class Interval very high), and the least supported in EEC has administrative structures

(S2: Mean 4.3, S.D. 0.64 at Class Interval very high). At average of this section was Mean 4.53, S.D. 0.56 at Class Interval very high in sum.

Analyzed in 7 S's Mckinsey and Social relation concept

Code	Item	Valid	Mean	S.D.
S1	EEC has administrative strategies	20	4.45	0.67
S2	EEC has administrative structures	20	4.50	0.59
S3	EEC has administrative systems	20	4.50	0.59
S4	EEC has administrative patterns	20	4.55	0.50
S5	EEC has administrative persons	20	4.65	0.48
S6	EEC has administrative skill performance persons	20	4.65	0.48
S7	EEC has give importance administrative participation	20	4.55	0.59
S8	EEC has personal provide social relation in administration	20	4.45	0.59
S	Average	20	4.53	0.56

### 7 P's Kotler and Productivity concept

The most supported in EEC has service proposal (P1: Mean 4.60, S.D. 0.58 at Class Interval very high), as same as EEC has managing personal (P5: Mean 4.60, S.D. 0.58 at Class Interval very high), and EEC has service productivities also (P8: Mean 4.60, S.D. 0.58 at Class Interval very high), and the least supported in EEC has managing service channel management (P2: Mean 4.50, S.D. 0.59 at Class Interval very high) as same as EEC has service promotion (P3: Mean 4.50, S.D. 0.59 at Class Interval very high). At average of this section was Mean 4.55, S.D. 0.57 at Class Interval very high in sum.

Analyzed in 7 P's Kotler and Productivity concept

Code	Item	Valid	Mean	S.D.
P1	EEC has service proposal	20	4.60	0.58
P2	EEC has managing service channel management	20	4.50	0.59
P3	EEC has own managing cost	20	4.50	0.59
P4	EEC has service processes	20	4.55	0.67
P5	EEC has managing personal	20	4.60	0.58
P6	EEC has managing physical environment for serving	20	4.55	0.50
P7	EEC has service promotion	20	4.55	0.50
P8	EEC has service productivities	20	4.60	0.58
P	Average	20	4.55	0.57

#### Eastern Economic Development Zone concept

The most supported in EEC is spread prosperity project to region (E1: Mean 4.70, S.D. 0.46 at Class Interval very high), and the least supported in EEC reduces income inequality (E4: Mean 4.5, S.D. 0.59 at Class Interval very high) as same as EEC uses land worthwhile (E7: Mean 4.50, S.D. 0.59 at Class Interval very high). At average of this section was Mean 4.53, S.D. 0.56 at Class Interval very high in sum.

Analyzed in Eastern Economic Development Zone concept

Code	Item	Valid	Mean	S.D.
E1	EEC is spread prosperity project to region	20	4.70	0.46
E2	EEC is connection between regions	20	4.65	0.57
E3	EEC make economic system strength	20	4.55	0.67
E4	EEC reduces income inequality	20	4.50	0.59
E5	EEC adds up competitive ability	20	4.60	0.49
E6	EEC gives comprehensive government service	20	4.55	0.59
E7	EEC uses land worthwhile	20	4.50	0.59
E8	EEC develop cities to modernized internationality	20	4.57	0.56
E	Average	20	4.53	0.56

Additionally, in part 3 which supported the qualitative approach by the pattern of in-depth interview which the specializes questions in contexts of content as opened questions in 2 sections including concern with EEC and concern with Thailand Economic Policy. It could be summarize in brief as a result to answer the objectives this study, including the current situations of EEC and the way to innovate EEC more effective.

**Part 3:** Additionally, in part 3 which supported the qualitative approach by the pattern of in-depth interview which the specializes questions in contexts of content as opened questions in 2 sections.

#### **Be concern with EEC**

What is the impact factors in EEC development?

The majorities of Key Informants opinions have supported in 3 main concepts which currently at the state that: Comprehensive Infrastructure as the enhancement of investment value of the projects. Numerous skillful workforce. And Smart City as the land for intelligence. Developing EEC should be?

There are 12 targeted industries that promoting advanced technology and innovation should be the impacts of EEC; Next-generation Automotive, Intelligent Electronic, Advanced Agriculture and Biotechnology, Food for the Future, High-value and Medical Tourism, Automation and Robotics, Aviation and Logistics, Medical and Comprehensive Healthcare, Biofuel and Biochemical, Digital, Defense, and Education and Human resource.

#### **Be concern with Thailand Economic Policy**

How Thailand development Model supports EEC?

Some key informants occurred that because of special Economic zone in EEC, the main support from the government, then the government need to support not only comprehensive infrastructure, but have to promote zone for specific industries in the area. With EEC exceptional characteristics, the government should to provides distinguished investment opportunities for all investors. In the meantime, there are many projects for promoted zone for specific industries as; EECh: High-Speed Rail Ribbon Sprawl, EECd: Digital Park, EECmd: Medical Hub, EECi: Innovation Platform, EECa: Eastern Airport City, etc.



How Thailand development Economic Model should be?

Firstly, in the master plan as the key informants presented, there are 5 promoted zones for specific industries and 21 promoted zone for targeted industries to serve the prospect investors around the world. Investors in 12 targeted industries will also be eligible additional privileges. As a result, the EEC development scheme will strengthen the existing foundation and contribute to sustainable business growth, with the best mutual benefits. The 12 targeted industries had presented as above, and additional privileges will eligible for investors and overseas professionals who plan to work in the EEC.

## Conclusion

The conclusions and recommendations of the research will summarizes and contributes the research finding. It also discusses research contributions. At the end of the chapter, the Act of Eastern Special Development Zone for further study and recommendations for future research are discussed.

Eastern Economic Corridor (EEC) in Thailand was flagship policy to create special economic zones spanning 30,000 rai (48 million square meters) in the three Eastern provinces of Chachoengsao, Chonburi, and Rayong. It is intended to develop the EEC into a series of new economic zones featuring upgraded technology based on an estimated THB 600 billion infrastructure investment plan. The five-year economic plan and national development roadmap will continue under the 20-year national development strategy.

## Discussion

For research objective 1, which aimed to find out the current situation of EEC that impact on Thailand Development, this research study found that EEC had impact by influential factors including organization development, Mckinsey's concept with Social relation, Kotler's concept with Productivity, and Thailand development in policy and plan.

From completely analysis of ESDZ Key Informants in Organization Development concept, they had strongest agree in EEC enhance related organizing development (Max.Mean: 4.60, S.D.0.49), and by average was at very high level. Similarly, completely analysis of ESDZ Key

Informants in McKinsey and Social relation concept, they had strongest agree in EEC has administrative persons, and gave importance administrative participation, and by average was at very high level.

In the same way, completely analysis of ESDZ Key Informants in Kotler and Productivity concept, they had strongest agree in EEC has service proposal, managing personal, and service productivities, and by average was at very high level.

As with completely analysis of ESDZ Key Informants in Eastern Economic Development Zone concept, they had strongest agree in EEC is spread prosperity project to region (Max. Mean: 4.70, S.D.0.46), and by average was at very high level.

By the result of this study, almost of key informants have the opinions in the same directions that means hypothesis and its subcomponents in each concept/component on frequency of positive comments were passed, no any frequency of negative comments presented. By average, Frequency Distribution in almost Strongly Agreement or Very High in Class Intervals. Therefore, all Test Results were accepted.

In consequence, the research was aimed to accomplish research objective 1, i.e., to determine the current situations of EEC which impact on Thailand Development was met the objective clearly, which supported with the answers from the part 2 of questionnaire that all key informants presented their opinions by 4 of impact concepts including; organization development concept, McKinsey in administrative concept, managing Kotler in managing concept, and Eastern Economic Development Zone concept in each item.

To accomplish research objective 2, which aimed to find out more effective ways to innovate Eastern Special Development Zone (formal name for EEC) for Thailand development, all key informants were asked to explain more in questionnaires related to be concern with EEC and to be concern with Thailand Economic Policy. With the questions to the key informants that what is the impacts of EEC development that presented what EEC is going on at the present time. According to the views: What is the impact factors in EEC development? In the majorities of Key Informants opinions have supported in 3 main concepts which currently at the state that.

As a result, Developing EEC should follow the master plans in 12 targeted industries that

promoting advanced technology and innovation should be the impacts of EEC. There are Next-generation Automotive, Intelligent Electronic, Advanced Agriculture and Biotechnology, Food for the Future, High-value and Medical Tourism, Automation and Robotics, Aviation and Logistics, Medical and Comprehensive Healthcare, Bio-fuel and Biochemical, Digital, Defense, and Education and Human resource.

In concern with Thailand Economic Policy, the information from this content as been the part of answers the questions and objective the way to innovate EEC more effective, which many key informants have given the similar answer that refer the mega projects in all infrastructure and exclusive opportunities for all investors. According to the views: How Thailand development Model supports EEC? Some key informants occurred that because of special Economic zone in EEC, the main support from the government, then the government need to support not only comprehensive infrastructure, but have to promote zone for specific industries in the area. With EEC exceptional characteristics.

In conclusion, some part of key informants presented that Thailand is the perfect channel to the potential region because the country located in the center of Asia where more than half of the global population reside. Which known as the key geographical gateway to one of the most prosperous regions in the world. Not only has the number of residents been raising, but the growth in Asia also continues to outpace that of others, making the continent an emerging economic powerhouse of the era.

### **Research suggestions**

The key to push Thailand to Thailand 4.0 is to change its economic structure, focusing on three main areas: 1. Shift from Commodities to Innovative Products 2.Switching from a country driven by industry to technology driven 3. Change from product focus to service sector focus.

And in order to push Thailand into Thailand 4.0 The Eastern Economic Corridor (EEC) was set up as a strategic plan to attract foreign investors to invest in 10target industries. This is expected to help push the country forward. From the changing context. The government and entrepreneurs have to adjust. Under the vision of Thailand 4.0, business driving in this age will

be at the heart of technology adoption. To create and strengthen the internal link to external or "Strength from within and Connect to the World", entrepreneurs have to adapt in many ways.

First of all, entrepreneurs need to be exposed to market trends (Demand Information), which is to observe and perceive the needs of the market in this age. Consumers have a wide range of needs and change rapidly. News all the time by adding channels to market information from sources such as business networks, business associations, specialized institutions. And the media is related to our business. Next, Value Creation: Entrepreneurs of this age will compete in the quest for novelty or innovation. SMEs and community enterprises need to adjust their strategies on a continuous basis. Meet the needs of the market. Based on the information obtained from consumers by various channels. As mentioned earlier. One of the advantages of Thai entrepreneurs is Cultural diversity. It can be inserted in the product and service is interesting. For example bring local stories to the design and presentation of products to create a focus. Include patches to differentiate. This will help to create identity and increase value.

In future research might consider taking the difference approach in order to gain more concrete and reliable findings. Accordingly, the sample size should be large to attain the required statistical method, and sampling should be of a probabilistic nature. Doing so would make comparison of different groups within the overall sample possible and meaningful.

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