

**THE EFFECT OF ENTREPRENEURSHIP ON
GROWTH, INCOME INEQUALITY AND POVERTY IN
THAILAND**

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Abstrak

Keusahawanan memainkan peranan penting dalam pembangunan ekonomi. Aktiviti keusahawanan di Thailand telah mencatatkan jumlah yang tinggi berbanding negara-negara Asia yang lain. Namun, secara paradoksnya pembangunan ekonomi Thailand dari segi pertumbuhan, kemiskinan dan ketidaksamaan agak kurang memberangsangkan berbanding dengan negara-negara Asia yang lain. Justeru, melalui pemerhatian ini menimbulkan keraguan tentang peranan keusahawanan dalam pembangunan ekonomi di Thailand. Oleh itu, objektif kajian ini adalah untuk menyiasat kesan keusahawanan terhadap pertumbuhan, kemiskinan dan ketidaksamaan pendapatan di Thailand. Kajian ini mengguna pakai model regresi pertumbuhan untuk meneliti hubungan antara keusahawanan dan pertumbuhan ekonomi. Di samping itu, kajian ini mengguna pakai model regresi ketidaksamaan dan kemiskinan untuk meneliti hubungan antara keusahawanan dan kemiskinan, dan antara keusahawanan dan ketidaksamaan pendapatan. Bagi menentukan sebab akibat antara keusahawanan dan pertumbuhan, kajian ini menggunakan ujian “Granger Causality”. Kajian ini menggunakan data panel bagi 76 buah wilayah di Thailand yang meliputi tempoh di antara tahun 1997 hingga 2008. Hasil dapatan kajian menunjukkan bahawa, keusahawanan mempunyai kesan positif yang ketara terhadap pertumbuhan ekonomi di Thailand. Keusahawanan juga didapati mempunyai kesan negatif yang ketara terhadap kemiskinan. Walau bagaimanapun, kajian ini gagal mendapatkan bukti mengenai kesan keusahawanan terhadap ketidaksamaan pendapatan dan pendapatan golongan miskin. Malahan, ujian Granger Causality menunjukkan bahawa hal ini boleh menjadi penyebab kepada pertumbuhan tetapi tidak sebaliknya. Secara keseluruhan, dapatan ini menyarankan bahawa walaupun keusahawanan mempunyai kesan yang diinginkan terhadap individu secara keseluruhan, manfaat keusahawanan nampaknya lebih dinikmati oleh individu kaya. Oleh itu, pembuat dasar disarankan untuk mengkaji semula dasar dan strategi yang sedia ada berhubung pembangunan keusahawanan di Thailand.

Kata kunci: Kemiskinan, Ketidaksamaan pendapatan, Keusahawanan, Pertumbuhan ekonomi.

Abstract

Entrepreneurship has been argued to play a key role in economic development. In this regard, Thailand has recorded remarkably high entrepreneurial activities compared to other Asian countries. Paradoxically, Thailand's economic development in terms of growth, poverty and inequality has been relatively dismal compared to other Asian countries. Accordingly, these observations cast doubts on the role of entrepreneurship in economic development in Thailand. Therefore, the objective of this study is to investigate the impact of entrepreneurship on growth, poverty and inequality in Thailand. This study employs the growth regression model to investigate the relationship between entrepreneurship and growth. In addition, this study employs the inequality and poverty regression model to investigate the relationship between entrepreneurship and poverty, and between entrepreneurship and inequality. Besides, to ascertain the causality direction between entrepreneurship and growth, this study employs the Granger Causality test. This study uses the panel data for 76 provinces in Thailand covering the period 1997–2008. The results of the study show that entrepreneurship has a significantly positive impact on economic growth in Thailand. Entrepreneurship also is found to have a negative significant impact on poverty. However, the study fails to find evidence on the impact of entrepreneurship on income inequality and income of the poor. Furthermore, the Granger Causality test shows that entrepreneurship Granger-causes growth but not vice versa. Overall, the results imply that while entrepreneurship has a favorable effect on individuals as a whole, the benefits of entrepreneurship appear to accrue more to the non-poor individuals. Therefore, it is imperative that the policy-makers review the existing policies and strategies with regard to entrepreneurship development in Thailand.

Keywords: Poverty, Income inequality, Entrepreneurship, Economic growth.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Schumpeter (1934) contends that the role of entrepreneurship is a central factor that affects the evolution of capitalist societies based on the argument that new businesses drive economic and employment growth. Entrepreneurship is also believed to be an important tool needed to achieve the target of economic growth and development of a nation (Schumpeter 1934; Wennekers and Thurik 1999; Baumol 2002; Van Stel, Carree and Thurik, 2005). This claim is also supported by Anokhin, Grichnik and Hisrich (2008), who regard entrepreneurship to be the main vehicle of economic development by fulfilling roles that have been emphasized by Schumpeter (1934) and Romer (1994), on promoting prosperity in a particular region by creating new jobs (Birch, 1987; Fritsch and Mueller, 2004; Van Stel and Storey, 2004), reducing unemployment (Evans and Leighton, 1989), increasing the economic development and growth of a region (Carree, Van Stel, Thurik and Wennekers, 2002; Van Stel, Carree and Thurik, 2005; Acs, Desai and Hessel, 2008) and also increase life and job satisfaction (Noorderhaven, Thurik, Wenneker and Van Stel, 2004). Economic development benefits from increasing productivity through efforts driven by entrepreneurs, who bring innovation, speed up structural changes in the economy, force old existing businesses to reform and increase competition. The fact that entrepreneurship represents a significant variable in propelling development and growth in any given locality cannot be underestimated.

Since entrepreneurship has been considered to be a significant feature in initiating development, many measurements of entrepreneurship have been taken as indicators

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