THE RELATIONSHIPS BETWEEN QUALITY OF LIFE 
AND LABOUR PRODUCTIVITY ON THE PATH OF 
SUSTAINABLE DEVELOPMENT

By

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ABSTRACT

Title of Dissertation : The Relationships Between Quality of Life and Labour Productivity on the Path of Sustainable Development

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The present study develops indices of sustainable development and quality of life and analyzes their relationship. Further, it develops a labour productivity index and analyzes its main determinants. Finally, analyzes the relationship between quality of life and labour productivity both at an aggregate and firm level.

Time series data from 1972 to 1996 are used for the macro level part of the study, while the micro level analysis is based on data from a field survey (1999-2000). The latter covers 1,553 establishments in the manufacturing sector and 45 establishments of Sub-sector 31 of the Bangkok Metropolitan and Vicinity Area, where a survey of 1,509 workers was randomly collected.

The macro level study reveals that the Kingdom of Thailand and Thai quality of life have been moving at a moderate pace. Path analysis of sustainable development domain indices suggests that linkages among demographic, social, economic, institutional, environmental and quality of life indicators are weak and non-harmonious.

The labour productivity index for the whole economy has increased moderately from 1972 to 1996. The capital/labour ratio has a statistically significant positive association with the
labour productivity index in most sectors. The higher is the proportion of workers educated above primary and secondary level, the higher labour productivity. 2SLS estimation supports that labour productivity determination by quality of life is significant.

The micro level study calculated labour productivity for all workers in the 45 selected establishments to average 16,030 Baht/month. The number of years in operation was the highest statistically significant influential factor. Also, the higher the employment of production-related physical assets, the higher was the level of labour productivity. Most sample workers were identified as having a moderate level of quality of life. Worker quality of life, finally, showed a positive relationship with labour productivity.

The present study recommends the following: (1) to implement more holistic policy guidelines and to use people-centered indicators for measurement, (2) to expand higher education and part-time vocational schooling and to link up employment-based training, (3) to induce private investment in machinery and equipment to support production and output distribution, and (4) to diffuse the knowledge of raising worker quality of life and labour productivity through appropriate means.

Further work should be directed along two lines. First, at ways of reducing the disparity between labour compensation and labour productivity. This would aim at a policy of maximizing the social welfare of workers and would lead to a more accurate generalization of the relationships between quality of life and labour productivity. Second, at the notion of sustainable development at the firm level. This would mean to operationalize indicators of social, economic, and physical impacts among environment/productivity measurements.
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Sumalee Santipollavut
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