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**FACTORS AFFECTING  
THE ACCEPTANCE OF PRIVATIZATION OF  
THE STATE RAILWAY OF THAILAND**

**By**

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## ABSTRACT

Title of Dissertation	Factors Affecting the Acceptance of Privatization of the State Railway of Thailand
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Privatization in Thailand has been one of the important public policies of the government and has been part of the National Economic and Social Development Plans since 1961. The privatization policies are to promote private participation and to discourage the government from engaging in commercial activities, maintaining only activities related to public interests and national security. The objectives of the policy are to reduce the government's physical burden, expand services, ensure operational efficiency and gradually reduce the size of the public sector.

It is widely accepted that privatization has become one of the prominent topics of public policy throughout the world. Privatization is regarded as a political, economic and social phenomenon. This study aims to provide a model for the smooth transition of privatization of the State Railway of Thailand and possibly other state-owned enterprises. This study has attempted to investigate the effects of factors on the acceptance of privatization of the State Railway of Thailand.

Survey questionnaires were distributed to the employees of the State Railway of Thailand nationwide. Stratified random sampling was used for survey samples, by allocating samples to strata according to local variations. Six primary factors (policy influence, labor solidarity, employment conditions, employee benefits, privatization experience and general attitude) and demographic factors (gender, age, education, working position, working experience and workplace) were selected as independent variables affecting the acceptance of privatization of the State Railway of Thailand.

Regression and path analysis were used for the analysis. The results of the analysis found that all independent variables significantly explained and predicted the

acceptance of privatization of the State Railway of Thailand. As for primary factors, labor solidarity, employment conditions, employee benefits and privatization experience had both direct and indirect influences on the acceptance of privatization. On the other hand, policy influence had only direct influence and the general attitude had only indirect influence on the acceptance of privatization. As for demographic factors, it could be ascertained that working position, workplace and education had influence on the acceptance of privatization. While workplace and education had both direct and indirect influence on the acceptance of privatization, the working position had only indirect influence. It was found that policy influence and labor solidarity are the best predictors of the perceived acceptance of privatization of the State Railway of Thailand.

Policy and management recommendations are offered. As for policy, it is recommended that in formulating the privatization policy the labor issue was an important element for smooth privatization implementation. Employee benefits and employment conditions should be maintained. Recommendations for management include employee participation in the privatization process, transparent implementation, retraining and public relation campaigns.

Finally, recommendations for future research are: using the model of analysis of this study for testing other state-owned enterprises; and conducting further studies on other factors affecting the acceptance of privatization and factors relating to the success of privatization programs, as well as the activities of labor unions relating to privatization policy and the criteria for privatization of any state-owned enterprises.

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Sathit Limpongpan

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