Since 1960s when Thailand started modern economic development, the inequality between agricultural and non-agricultural sectors and rural and urban areas has been the central issue for the government as a negative effect of economic growth. Bangkok has been the center of Thai economy and well-known as “the richest region” in Thailand while the Northeast has been well-known as “the poorest region” in Thailand. However, this perspective is problematic because it is too simple to take into consideration the diversity of the life and because it degrade the “poor” people in the Northeast to be classified as “less satisfactory” group.

The issue of poverty in the Northeast and regional income inequality have been analyzed and discussed by many scholars in the academic field. However, when this issue is politicized in Thai politics, it was too much emphasized by the politicians to persuade people to support them and vote for them through political campaigns. It unfortunately resulted in conflicts among people who consider belonging to the different group (such as the rich or the
poor). This conflict has widely affected on Thai society. Therefore, it is necessary to carry out the research on income inequality which is related to the political conflict.

The first chapter shows the background information of Thailand. In the second chapter, the situation of political conflict in Thailand is analyzed by the idea of Amartya Sen, expressed in his “identity and violence”. The third chapter examines statistically the income distribution and regional income inequality in Thailand. The analysis was done to assess the medium-term trend of inequality in Thailand, and the result of decomposition analysis of income inequality indicates that income inequality between regions is not big enough to be the focal problem of income inequality in Thailand as have been alleged in the politics.

The fourth chapter is focused on the idea of Capability Approach by Amartya Sen. He insists that we should focus on “human capability”, that is, what people are able to do and able to be, instead of income. In this chapter, the data on the quality of life such as health and education are used as basic functionings of the Capability Approach to see the other dimensions of people’s well-being beyond income.

The fifth chapter aims to reveal the voice of people from the field surveys in the Northeast of Thailand because it is a good indicator that reflects what they really think. It supplements the statistical analysis by capturing those aspects of life that the existing statistics cannot capture. The opinion of people on income aspect as well as the complex functionings in the Capability Approach such as self-reliance and participation in the society can be seen in this chapter. As the results of field survey, many people and farmers in the Northeast live in the way of sufficiency economy and have self-reliance. And their life satisfaction is high. What most of people’s concern is not income, but the way of life they live. Therefore, it is better to use the capability approach for inequality and people’s life assessment.