Challenges of Sustainable Urbanization: The Case of Thailand

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Agenda

- Thailand’s urbanization trend
- Aging society
- Challenges and how the government address the problems
- Wrap up
Thailand’s urbanization trend

- Thailand’s rate of urbanization

![Graph showing urban and rural population proportions from 1950 to 2050.]

(1) Proportions of urban and rural population in the current country or area in per cent of the total population, 1950 to 2050.

Two major effects of aging society

1) less people

2) a shift in population age composition.

Projection of Urbanization and Aging Society

2014

2050
Challenges

Issues for big cities
- Mega city (Bangkok)
- Major cities (Chiang Mai, Udonthani, Pattaya (Chonburi) and Phuket)

Issues for small cities
- Small cities (Mae Hong Sorn, Karnchanaburi, Kalasin)
Mega city: Challenges

- Traffic congestion
  - Tom Tom traffic index puts Thailand as the second most congested city in the world.
  - New record-breaking time of 5 hours to go back home from work. (TDRI Staff)
Bangkok Infrastructure Upgrade
- Education and Health care

- Not so much challenges for education and health care services

- Large population -> Economies of scale -> Market is functioning!
- Slum improvement
  - Underprivileged households cannot afford education and health care services.
Special program for the underprivileged

- Child Support Grant for the underprivileged
  (Criterion: income < 3,000$ per year, Get 20$ per month)

How progress happened

- Citywide surveying and planning
- Managing collective savings and loans
- Planning and implementing upgrading projects
- Knowledge sharing

Challenges remaining

- Preventing new slum formation
- Reaching the poorest

- Political and financial sustainability of the programme
- The small scale and slow pace of change
- Slum relocation
  - to improve the scale and focus services in particular area.
  - From the Universal Coverage Scheme to Co-
Major cities: Challenges

- Best of the both worlds: No major traffic problem with large population to support market-based approach for education and health care services.
- With a proper city planning and target-based policies to address the poor, the urbanization should not impose much pressure.
- Major themes are city planning and connectivity.
Small cities: Challenges

- Small population -> No economies of scale -> Market is not functioning and the cost of public services are much higher!
- True for all: infrastructure, education and health care

Source: TDRI (2016), Note: Small school = school with less than 120 students in total
Smaller schools tend to have lower quality

**Education**

- PISA mathematics score
- Rural-urban differences in quality of material resources index
- Rural-urban differences in quality of physical infrastructure index

**Teacher shortage**

- Rural-urban differences in teacher shortage index, Thailand and the OECD

*Source: World Bank staff calculations based on OECD PISA 2012.*

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Two models

School closing

School networking
However, the implementation is not easy

- **Local State Administrations** get less budget allocation

- **Parents and their children** need to travel much further to get to school

- **Principal** won’t like the idea because of more competition and job cuts

- **Teachers** will need to travel between schools
Wrap up

- Aging society is one of the important trends that should be taken into account when designing policies to address urbanization issues.
- For Thailand, urbanization imposes pressures for both mega cities and small cities.
- For mega cities, the keys are connectivity, market-based services and specific programs for the underprivileged.
Thank you!