

# Challenges of Sustainable Urbanization: The Case of Thailand

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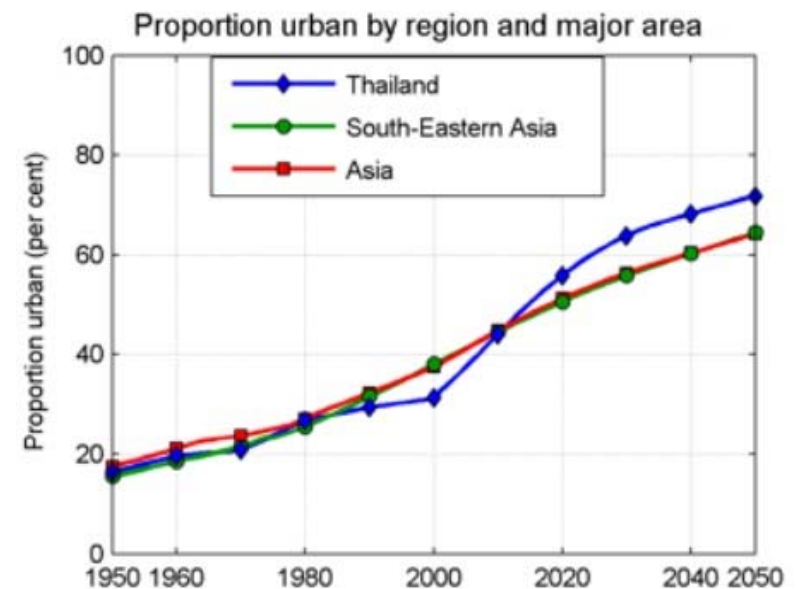
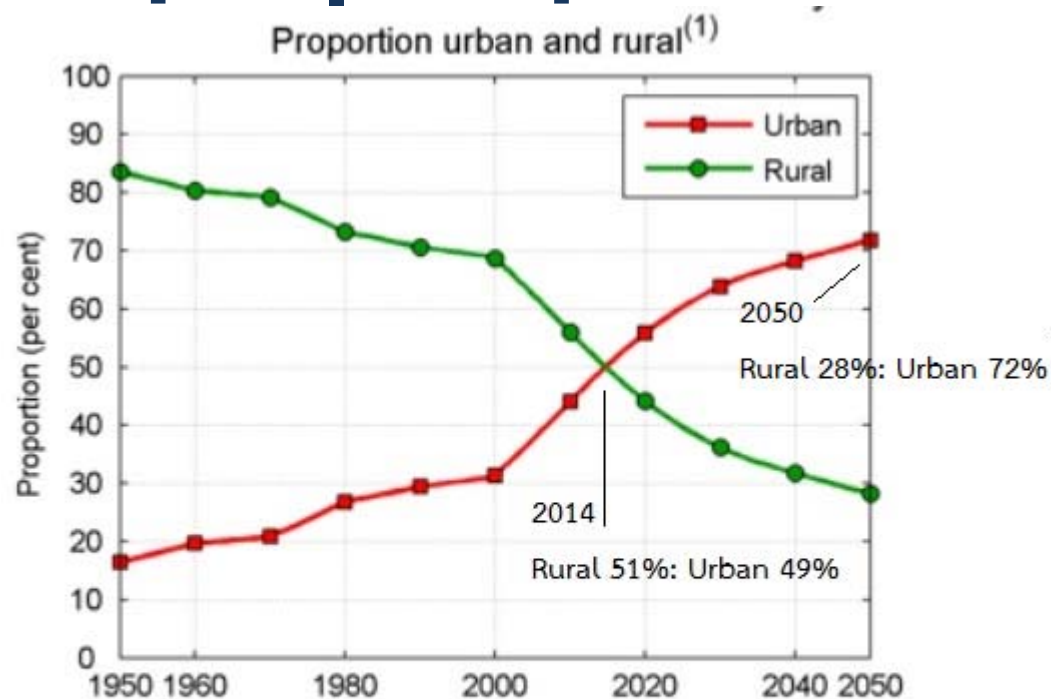
**27 October 2016**

**TDRI**

สถาบันวิจัยเพื่อการพัฒนาประเทศไทย

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

## Thailand's rate of urbanization



Source: World Urbanization Prospects: The 2014 Revision.

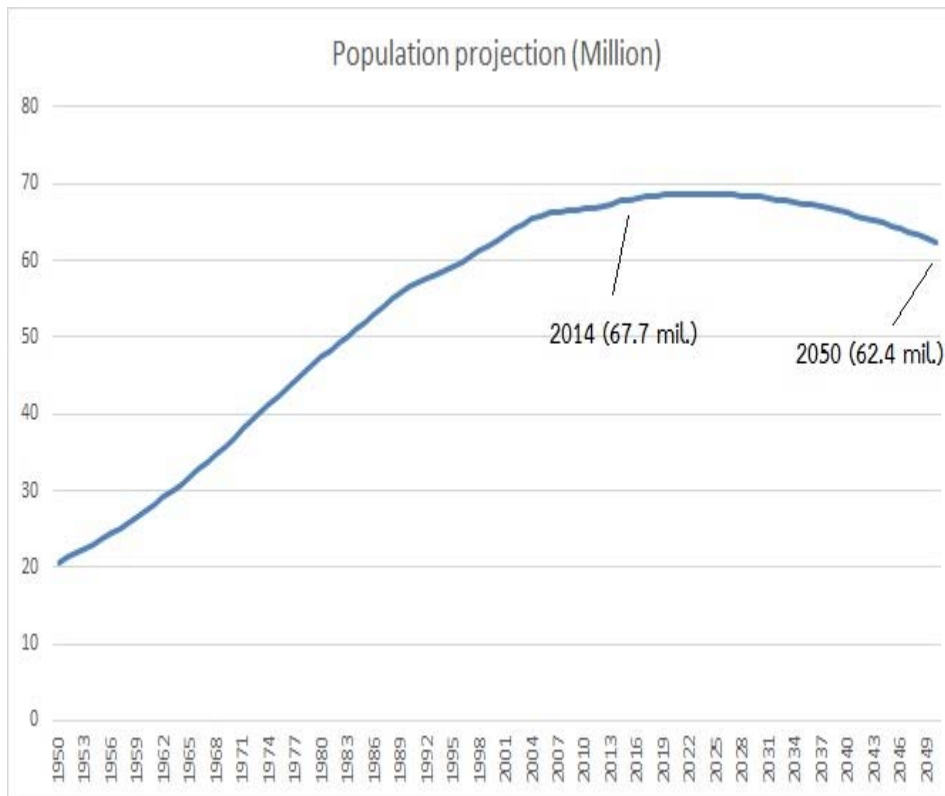
(1) Proportions of urban and rural population in the current country or area in per cent of the total population, 1950 to 2050.

Source: World Urbanization Prospects: The 2014 Revision.

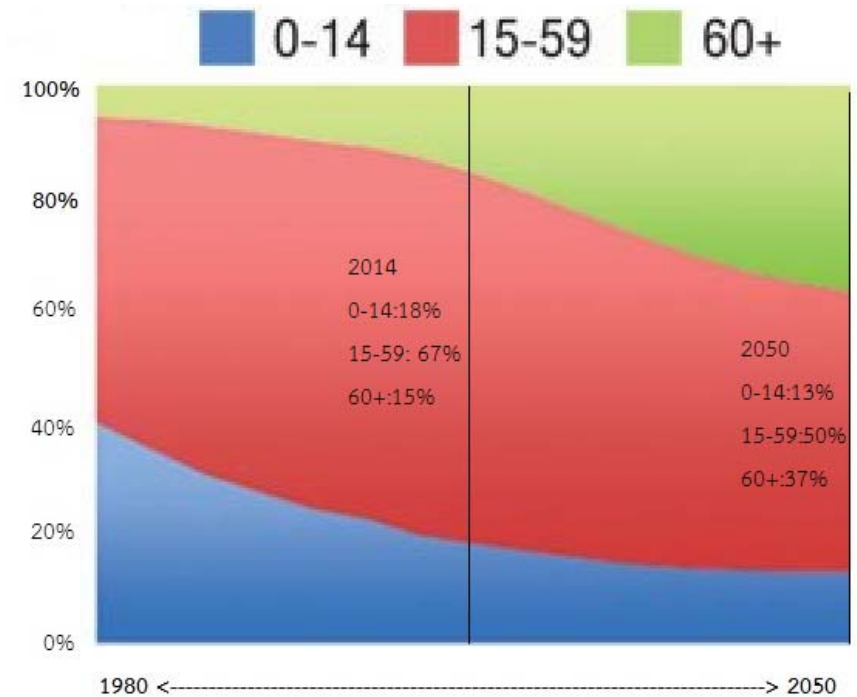
# Two major effects of aging society

1) less people

2) a shift in population age composition.



Source: World Population Prospects 2015



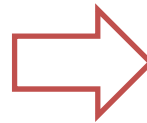
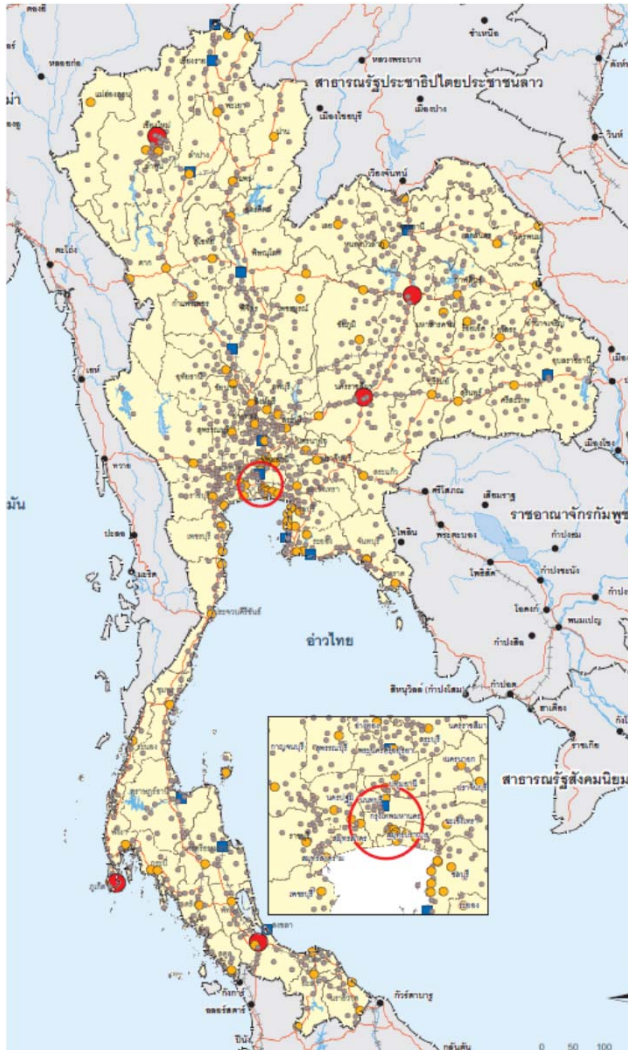
Source: World Population Prospects 2015

# TDRI Projection of Urbanization and Aging Society

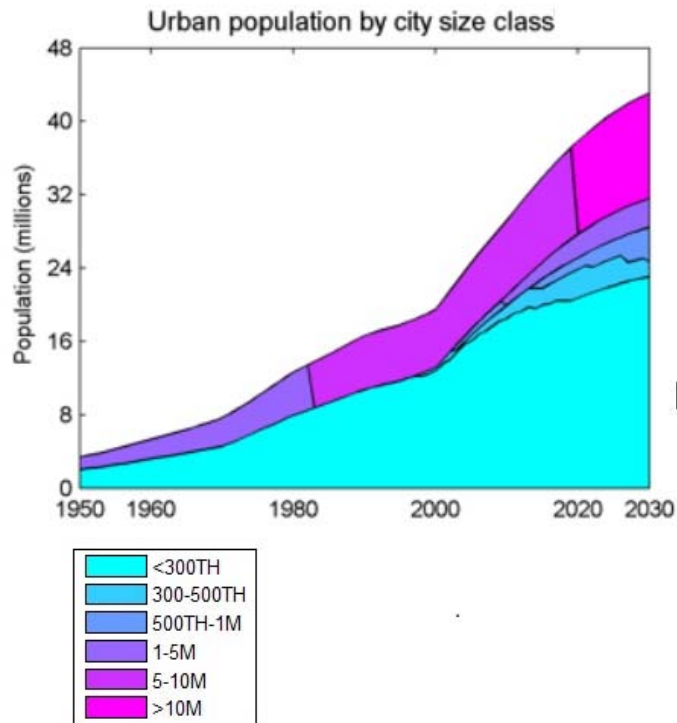
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## 2014

## 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

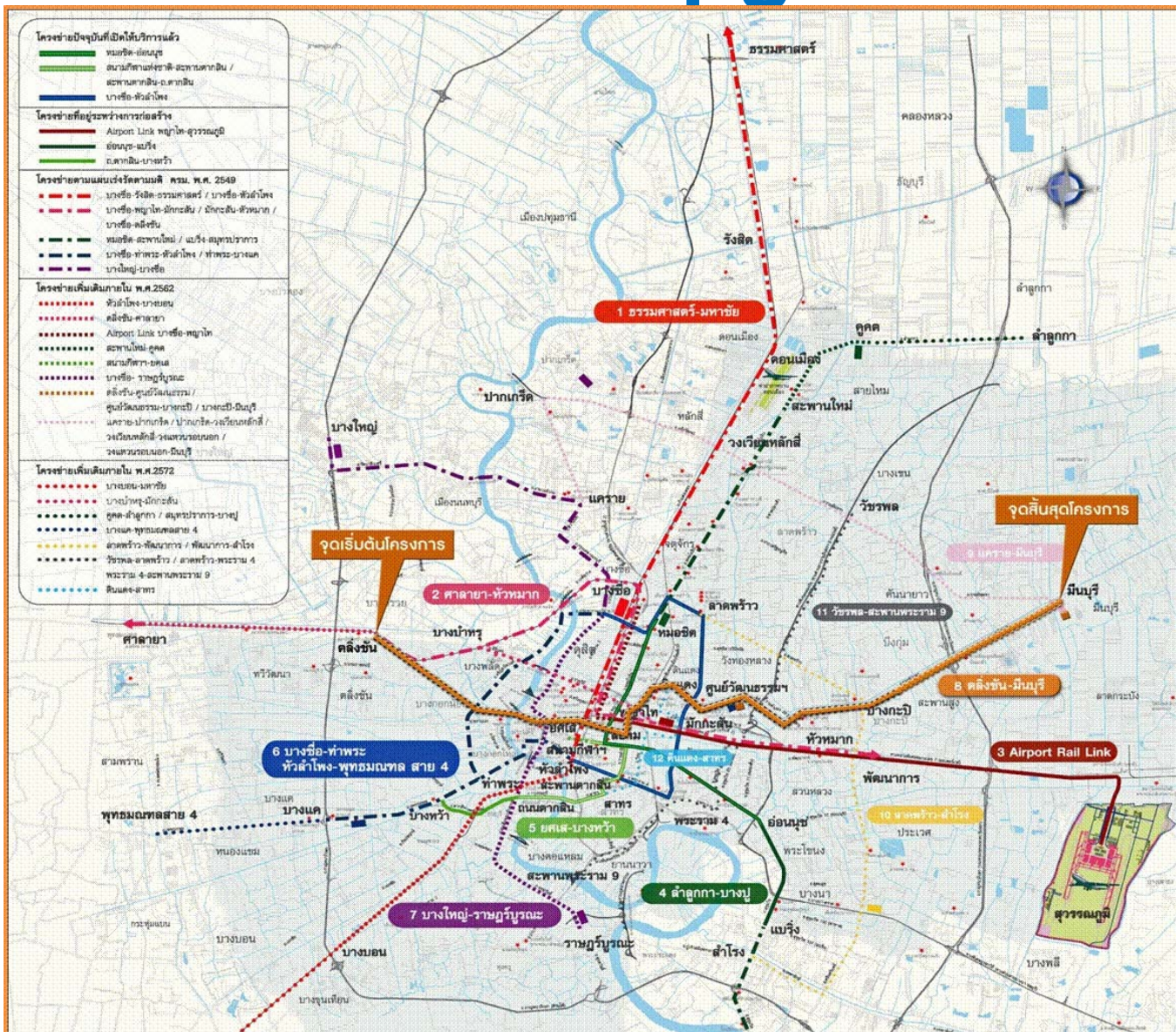
- **Traffic congestion**

- 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)**





# Upgrade

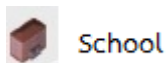
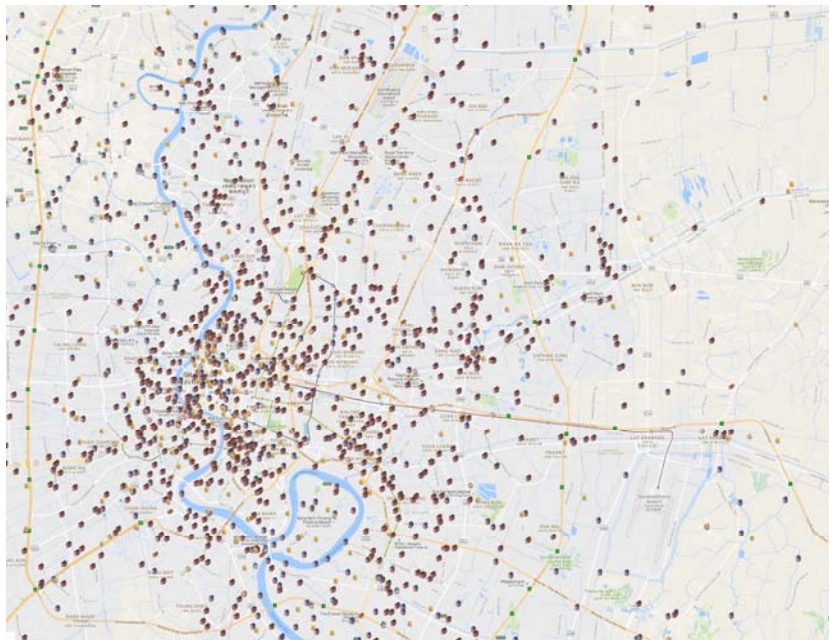




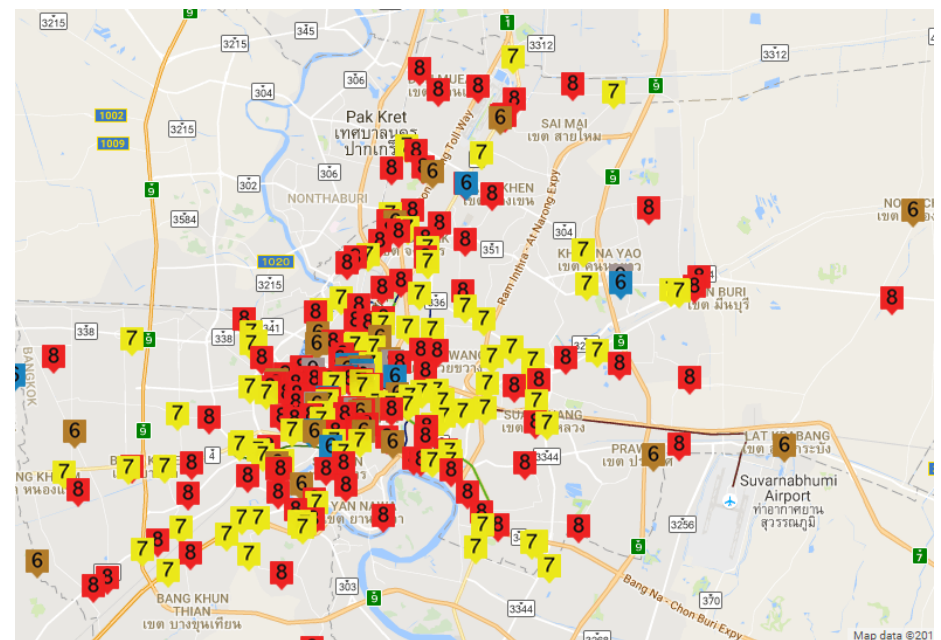
## ■ Education and Health care

- Not so much challenges for education and health care services

- Large population -> Economies of scale -> Market is functioning!



School



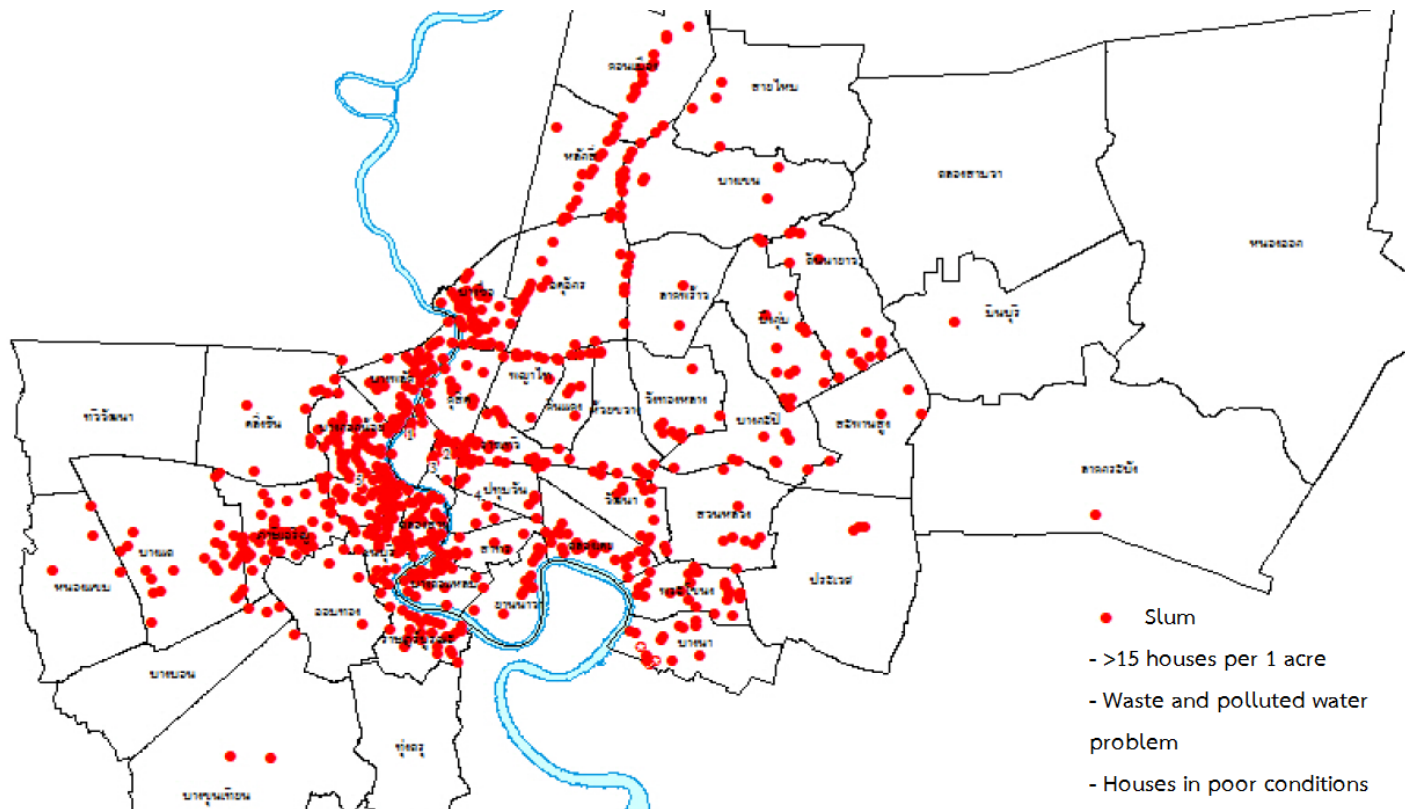
Private health care services



Public health care services

## ■ Slum improvement

- Underprivileged households cannot afford education and health care services.



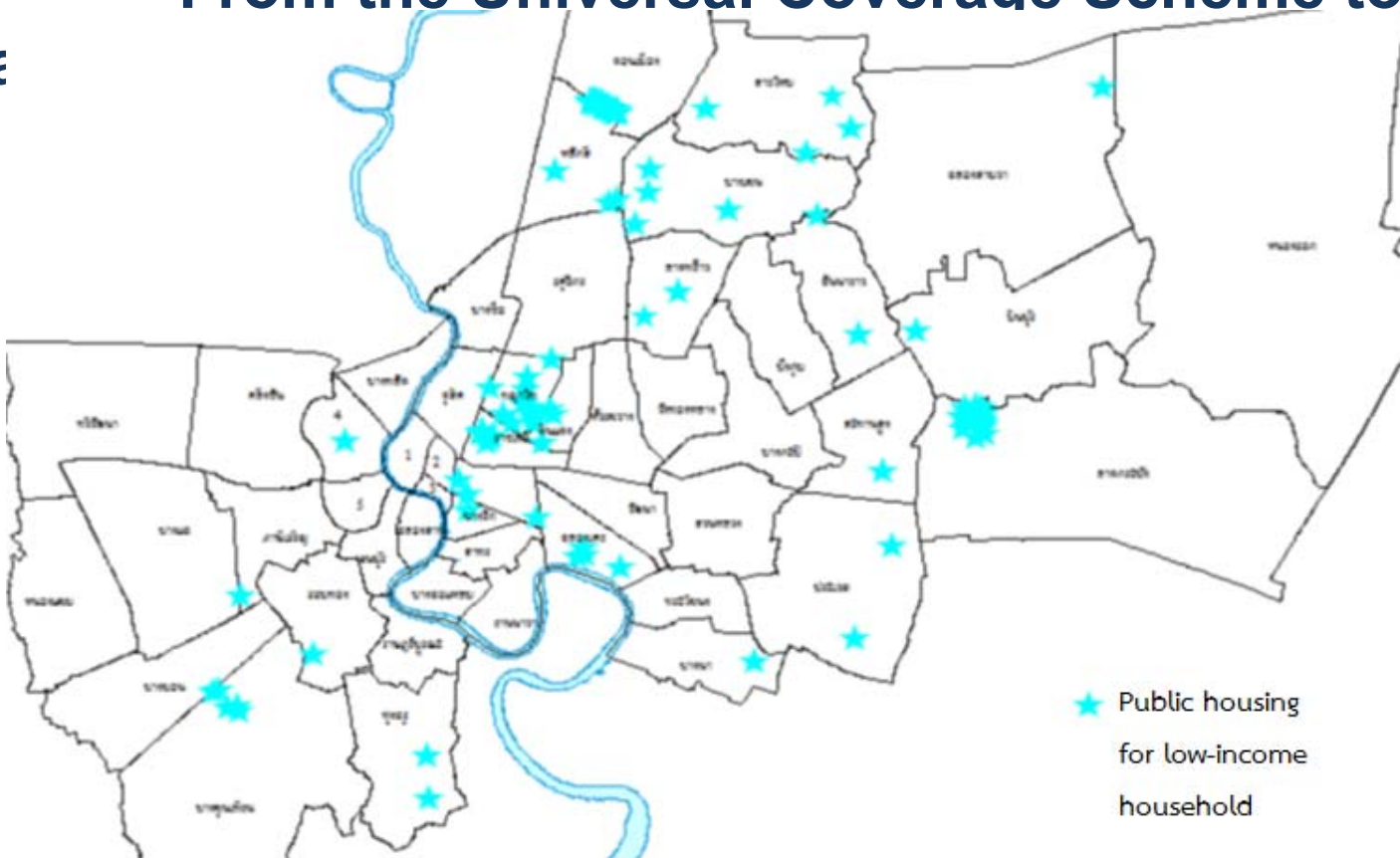
# Special program for the underprivileged

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



## ▪ Slum relocation

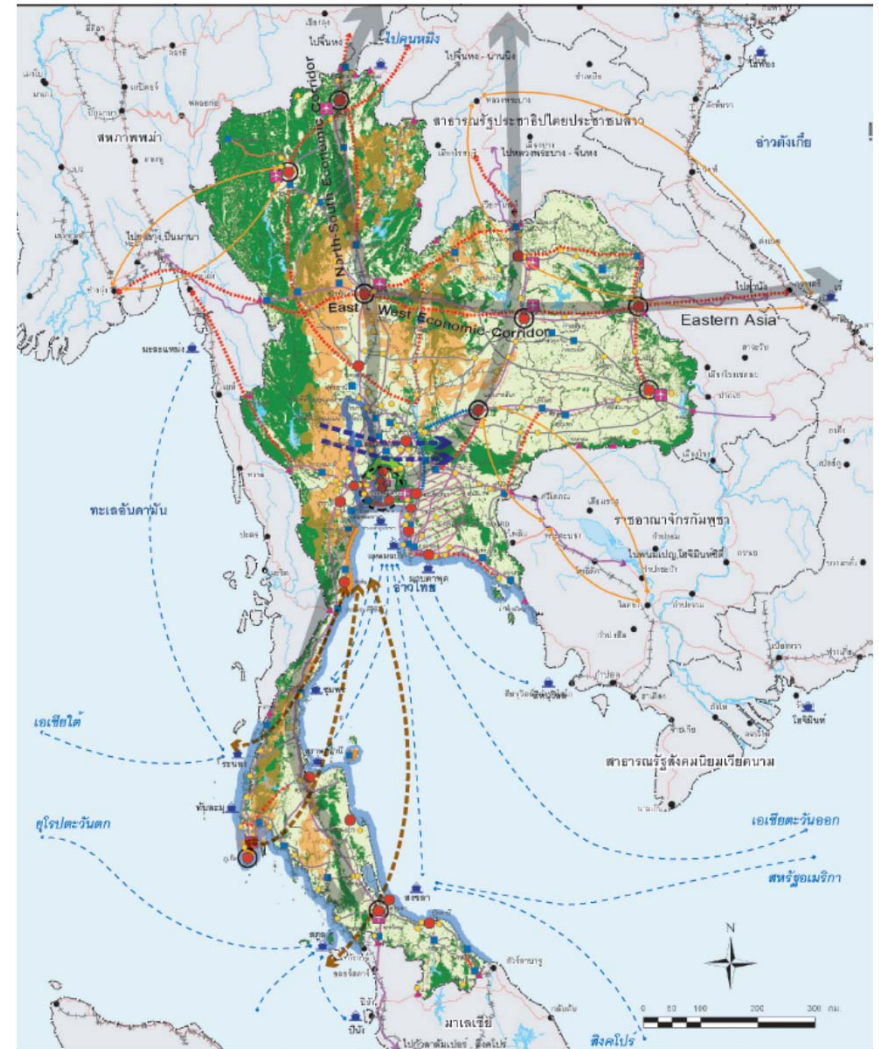
- to improve the scale and focus services in particular area.
  - From the Universal Coverage Scheme to Co-
- pa





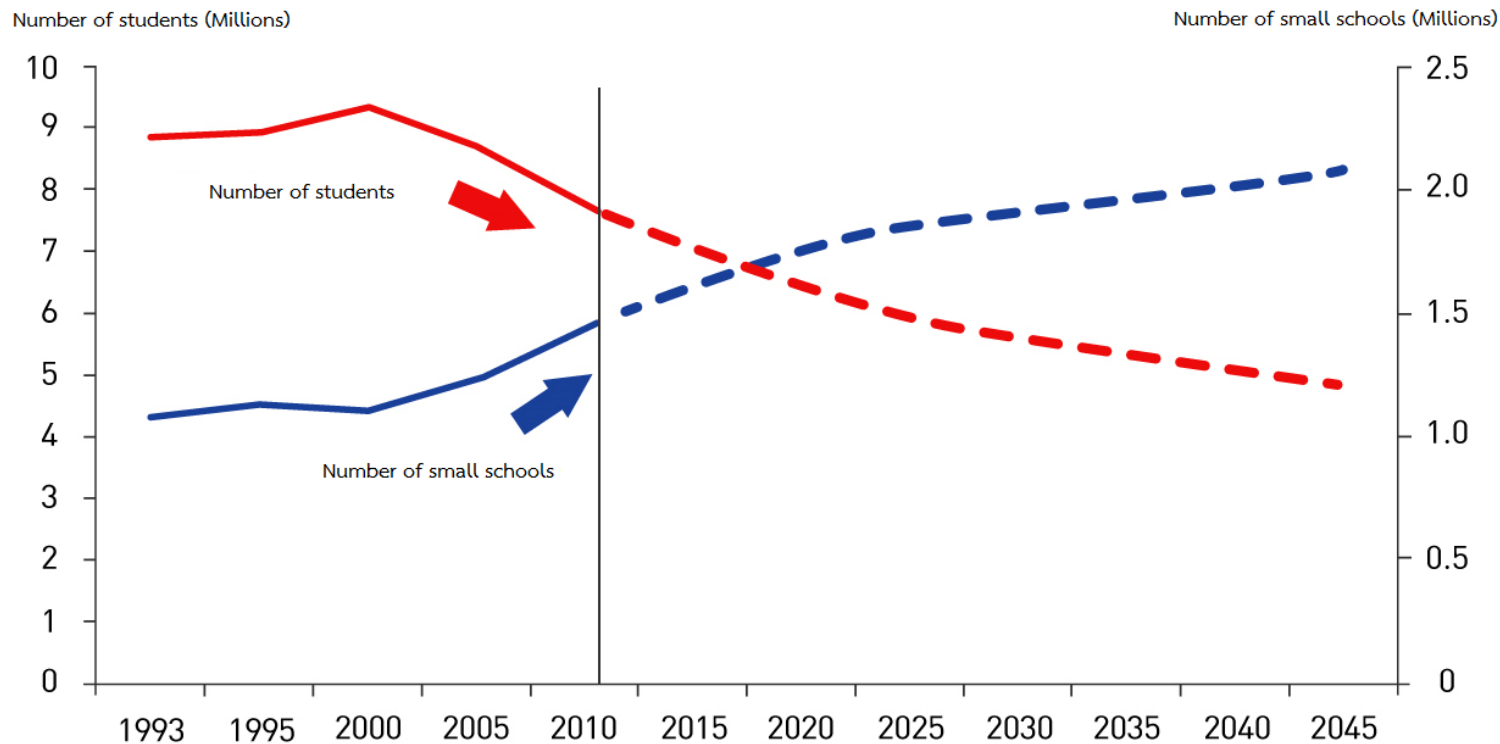
# Major cities: Challenges

- 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

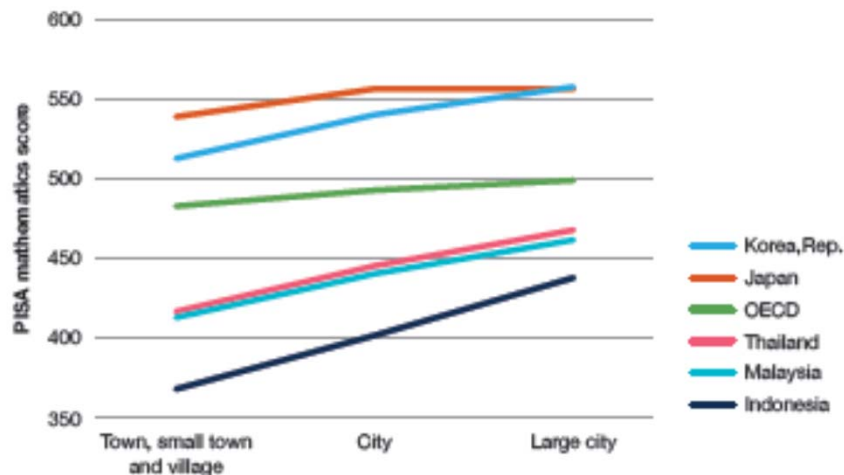
- Small population -> No economies of scale -> Market is not functioning and the cost of public services are much higher!
- True for all: infrastructure, education and health care



Source: TDRI (2016), Note: Small school = school with less than 120 students in total

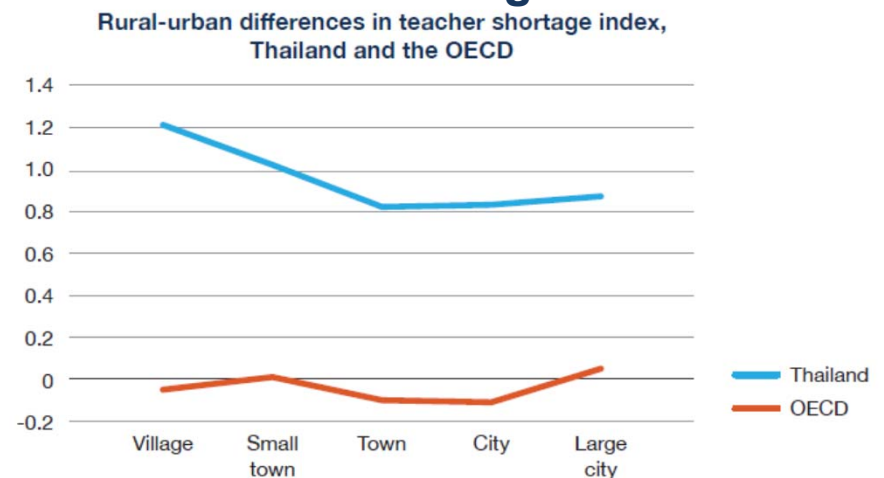
# Smaller schools tend to have lower quality

## Education



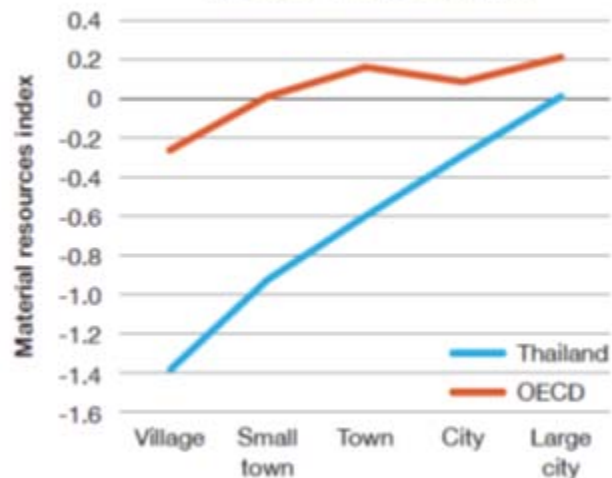
Source: World Bank staff calculations based on OECD PISA 2012.

## Teacher shortage



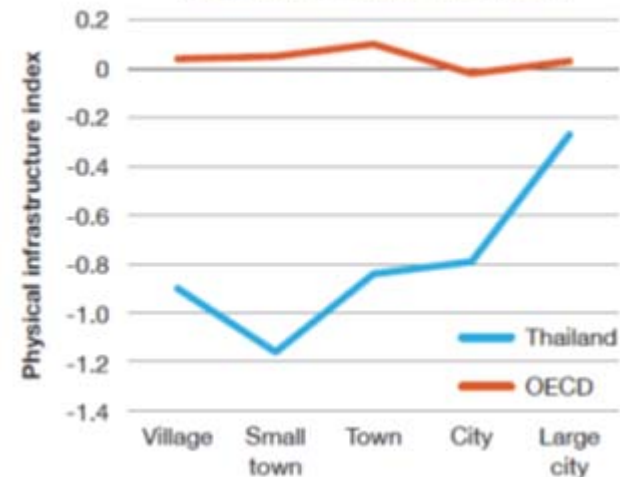
Source: OECD PISA 2012.

## Rural-urban differences in quality of material resources index



Source: OECD PISA 2012.

## Rural-urban differences in quality of physical infrastructure index

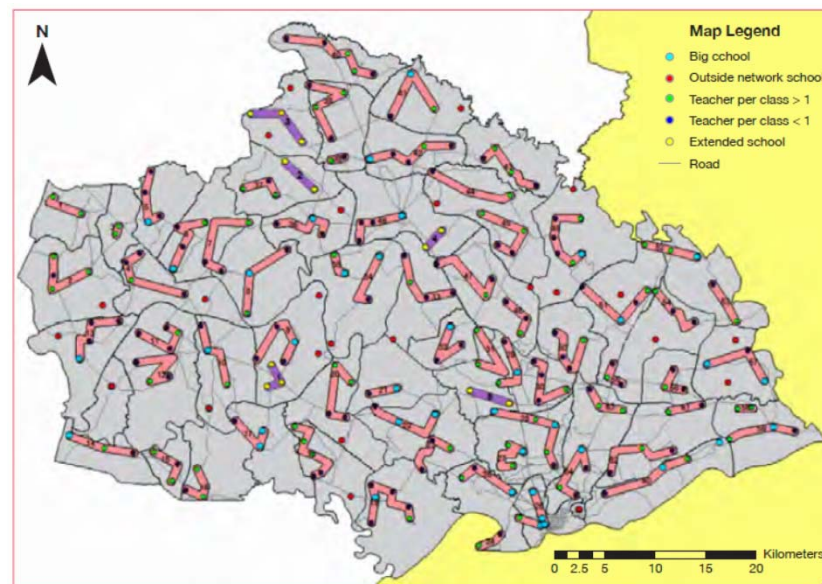


# Two models

## School closing



## School networking



Source: School mapping exercise carried out for this report.



# 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

- **Aging society is one of the important trends that should to 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!**