

## SUMMARY

# What Can We Learn from Thailand's Approach to Urban Development?



*Subsidies, housing grants, educational programs and the leveraging of economies of scale are being used to benefit poor urban dwellers.*

## Overview

Urbanization can become an effective fulcrum of development if opportunities and benefits trickle down and reach society's most vulnerable sectors. Unfortunately, there is a tendency to overlook the welfare of the people, particularly their access to basic social services.

At the 2016 Asian Development Bank-Asian Think Tank Development Forum in New Delhi, Nonarit Bisonyabut, research fellow at the Thailand Development Research Institute Foundation, shares the experience of Thailand in dealing with the challenges of sustainable urbanization.

# Key Points

Thailand has attained upper middle-income status, and is taking steps to help ensure that urban growth become more inclusive—both in big and small cities. Challenges remain in core urban areas, particularly in making social services more accessible to all.

For big cities, such as Bangkok and Chiang Mai, the government has been addressing issues on transportation, education, and health care while taking advantage of economies of scale that make the provision of basic services to city dwellers more cost-efficient. In these cities, the key is to offer market-based services and specific programs for the underprivileged.

In small cities, however, the cost of providing basic services tends to be higher. There is a smaller population, limited opportunities, and no economies of scale. People either lack access to basic services, or the services that are available are of poor quality.

Bisonyabut cited some of the programs that Thailand has developed to improve access to public services in urban areas.

## Subsidy for children from low-income families

In mid-2015, the Government of Thailand started the Child Support Program, which provides grants to poor families. The scheme, administered by the Ministry of Social Development and Human Security, gives families \$20 per child. The subsidy aims to ensure that children from low-income families will go to school.

The government also launched an electronic payment system to increase access to financial services among the beneficiaries.

The program is considered an investment in human capital.

## Expanding access to quality education

To improve public sector efficiency in Thailand, the government is investing in networks or clusters of schools to give students from small cities and towns access to better quality education. This system primarily promotes sharing of resources, so that students from smaller schools benefit from more advanced facilities or better teaching methods provided by other schools in the cluster.

## Housing grants for the poor

The government has also implemented programs that address housing problems in urban areas. The Baan Mankong Program, which was launched in 2003, for instance, provided the urban poor with small loans to help them strengthen unsafe housing and improve living conditions. It is a collaborative effort among the government, non-government organizations, and communities. The program has helped improve housing standards for the poor, an aspect that is often left out in urban planning.

# Recommendations

## Way forward

Bisonyabut said other crucial factors should be looked into in planning and implementing projects on urban development in Thailand. This includes the country's changing demographics.

Projections of the United Nations show that Thailand is moving toward becoming an aged society. By 2025, 20% of its population will be 60 years and older, which poses another challenge to Thailand. This is one of the important trends that should be taken into account when designing policies to address urbanization issues.

## Resources

ADB. 2016. Thailand Fact Sheet. Manila.

ADB. 2016. Urban Development in the Greater Mekong Subregion. Manila.

N. Bisonyabut. 2016. Challenges of Sustainable Urbanization: The Case of Thailand. Slide presentation for the 2016 ADB-Asian Think Tank Development Forum. New, Delhi, India. 27–28 October.

N. Bisonyabut and S. Tangkitvanich. 2015. Toward High-Quality Growth: Thailand's Challenges and Opportunities in the Next Three Decades. *TDR Quarterly Review*. pp. 4–17.

## Related links

[Does Urbanization Drive Southeast Asia's Development?](#)

Policy Brief: [Balanced Development of Secondary Cities Key to Overcoming Asia's Urban Challenges](#)

## Meet the expert



[Nonarit Bisonyabut](#)

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Nonarit Bisonyabut obtained his bachelor and master's degrees in Economics from Chulalongkorn University in Thailand and doctorate from the University of Wisconsin-Madison in the United States. His primary interests are topics that involve Thailand's social and economic development.

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