

# Thailand's Sustainable Urbanization

Bhanupong

Lecture 30

**“All happy families resemble one another, but each unhappy family is unhappy in its own way” *Anna Karenina* by Leo Tolstoy.**

# Outline

- Urbanization around the world
- Urbanization and poverty
- Rural and urban dynamics: MDG
- Declining Bangkok primacy
- Sustainability of Bangkok

# Back in 1950: Only two megacities in the world

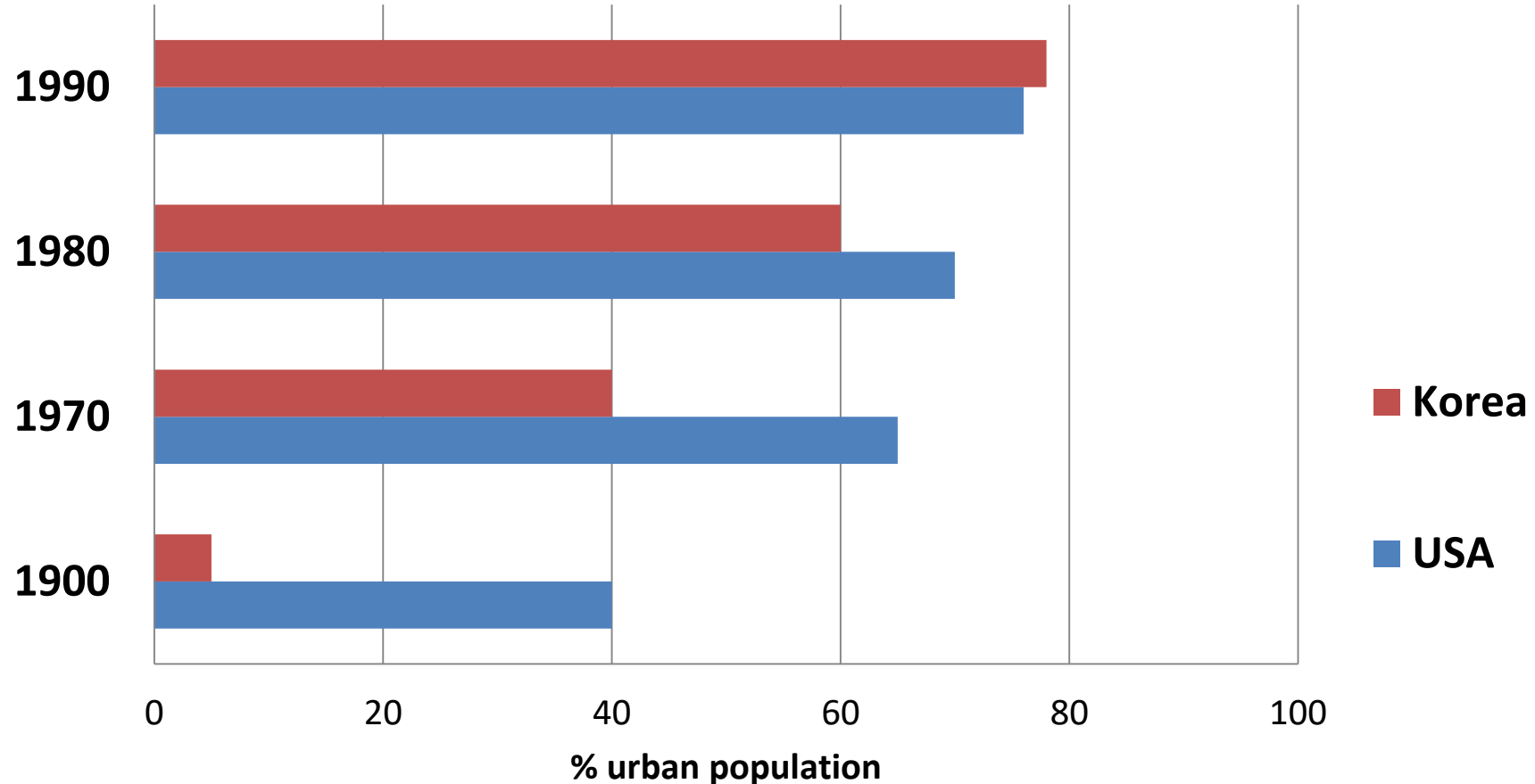
- Less than one-in-three people lived in urban areas.
- The world had just **two** so-called "megacities" with populations in excess of 10 million
- New York and Tokyo.

# Stylized fact

- The world is fast approaching the point where the *majority* of the human population will be found in urban areas.
- The United Nations estimates that about **180,000** people are being added to the urban population **every day**.

What took the US **90** years to accomplish took Korea for **20** years to raise urban population from 40 to 60% (Brazil for 30 years)

### Faster Speed of Urbanization



The gradual pace, combined with relatively **high GDP and education per capita, allowed** time for the development of political and economic institutions and market instruments essential for **an efficient form of urbanization and a reasonable quality of urban life.**

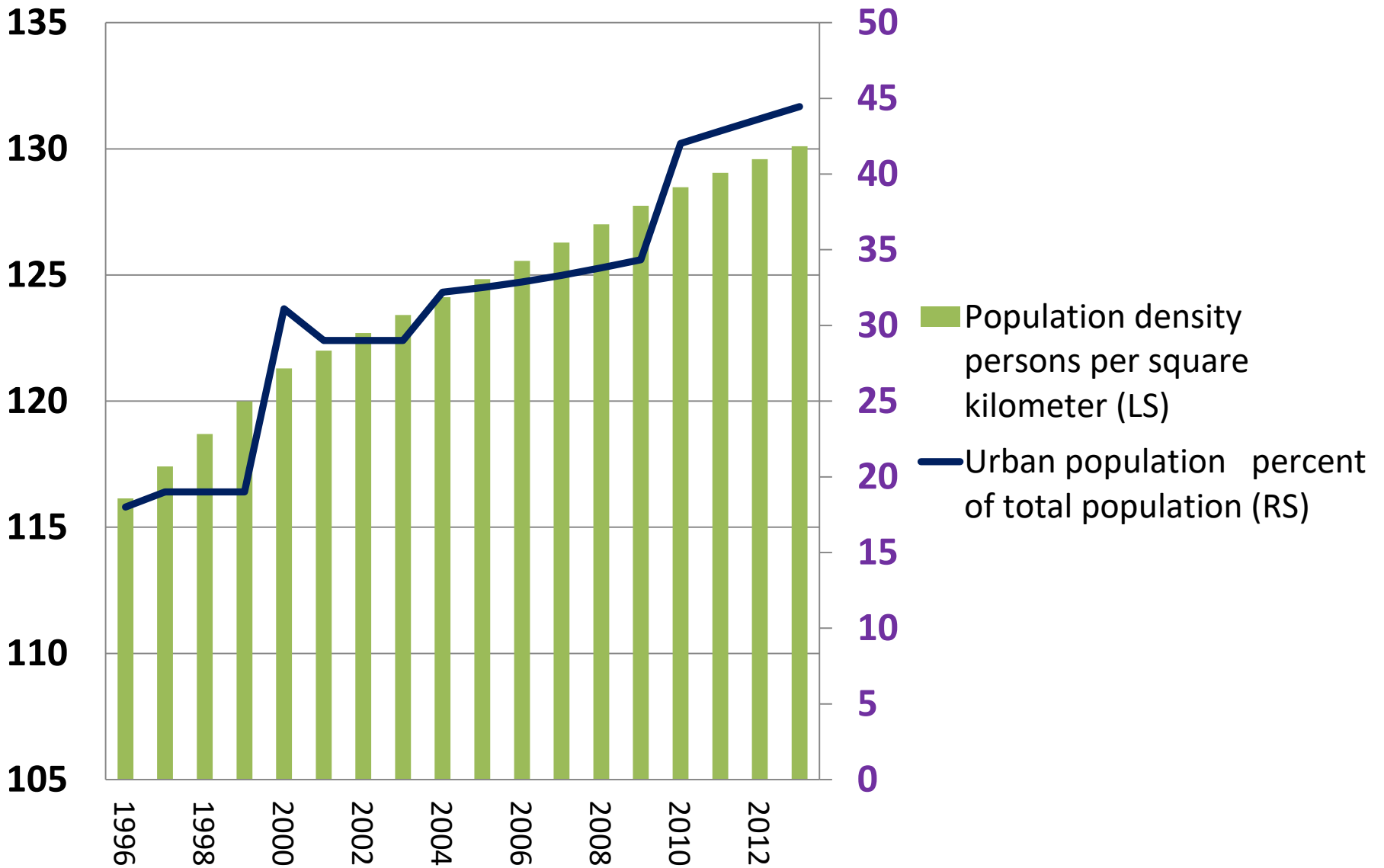
**Not so for developing countries.**

Rapidly urbanizing developing countries require **adaptation** of rural institutions and governance to **urban society.**

They have little room for timely experimentation and adjustment.

In Thailand, no time to put electrical and phone lines underground: trees must be trimmed regularly to protect electrical lines.

# Urbanization in Thailand



## Urbanization in rich countries

- In the *traditional model* of urbanization, which North America and Europe experienced during the Victorian era, people were *pushed* away from the countryside by the *mechanization of agriculture*, and pulled towards urban areas by the offer of jobs and wages.
- North America and Europe's urban areas already account for about 70-80% of the regions' populations, and these are expected to *stabilize* at these levels.

## A different urbanization process in poor countries

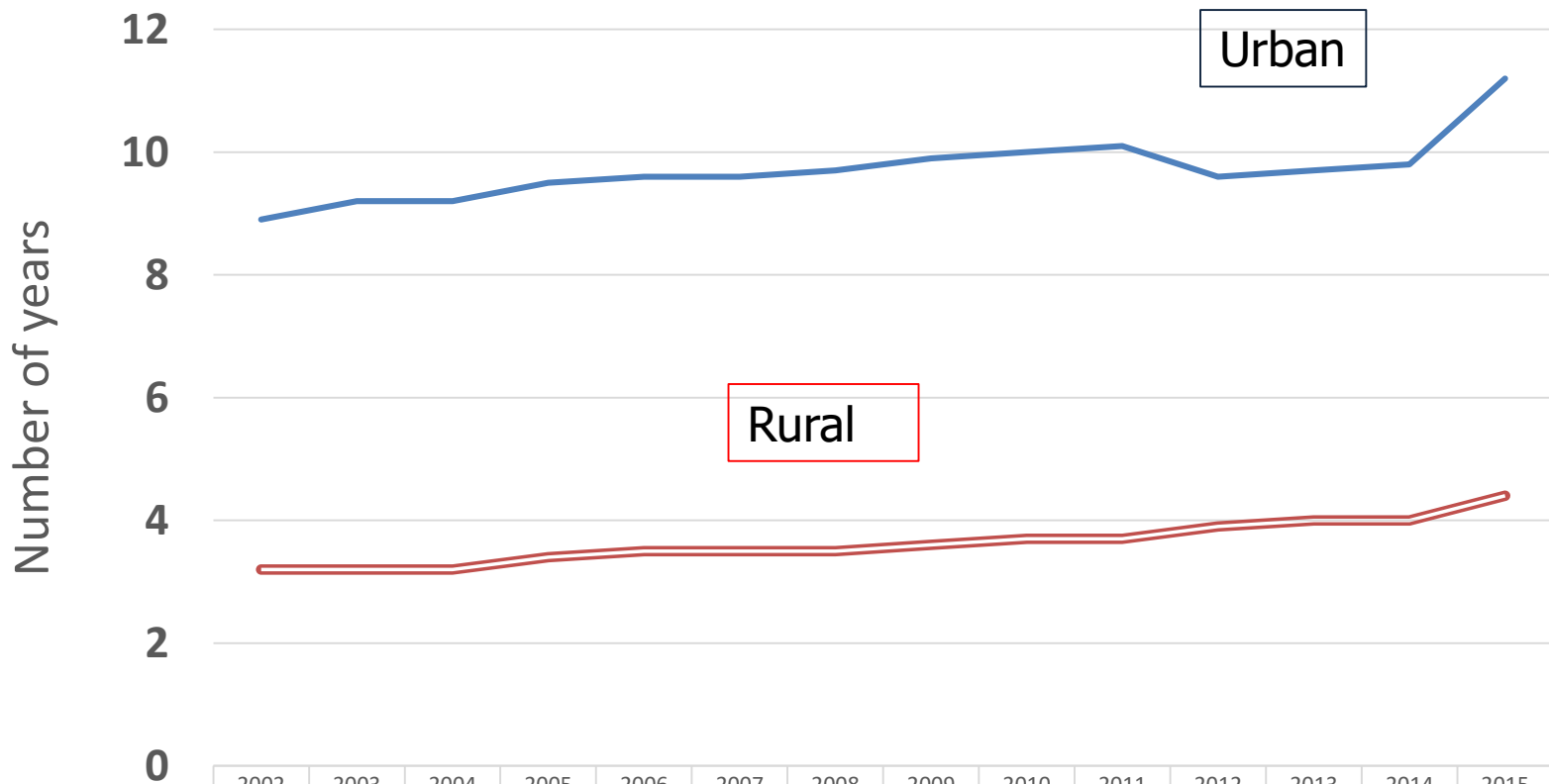
- Sub-Saharan Africa, which has the world's **highest rate of urban migration**, is **not** following the traditional pattern.
- Developing nations are struggling to cope with the huge influx of people into urban areas.
- Some cities' populations are 40 times larger than what they were in 1950.

# The rural-urban divide

- **Megacities** and large cities are the richest and have far better access to basic public services;
- Smaller towns, secondary cities, and areas on the perimeter of urban centers are less rich.
- **Rural areas** are the poorest, but this does not mean unrestricted (unfettered) urbanization is a cure-all, because
- The **poor in urban** areas also urgently need better services as well as infrastructure that will keep them connected to schools, jobs and decent health care.

# Urban and rural divide

years of schooling



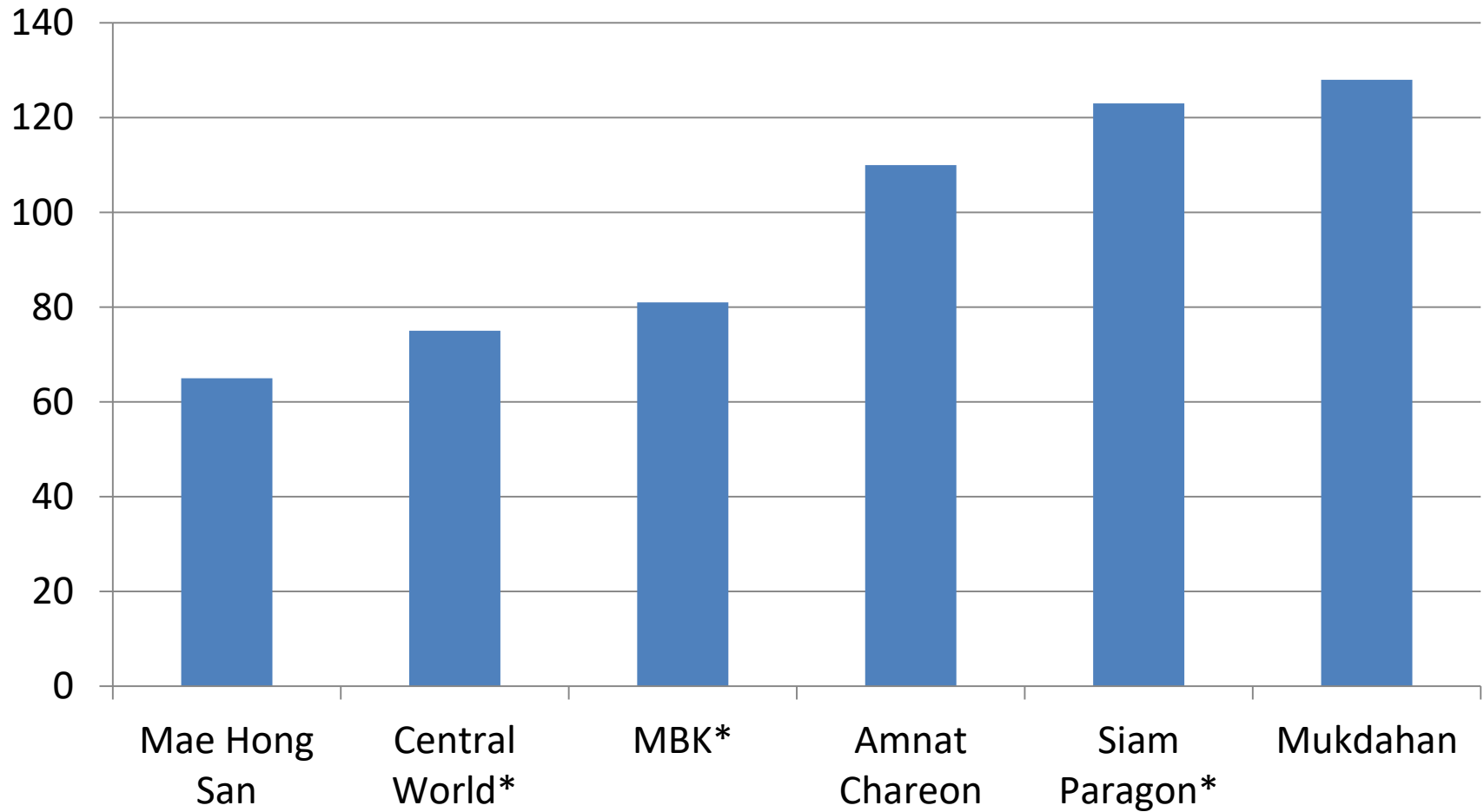
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
urban (15-59)	8.9	9.2	9.2	9.5	9.6	9.6	9.7	9.9	10	10.1	9.6	9.7	9.8	11.2
rural (60+)	3.2	3.2	3.2	3.4	3.5	3.5	3.5	3.6	3.7	3.7	3.9	4	4	4.4

How much luxury retail does one city need?

Bangkok's newest high-end mall, EmQuartier, opened March 27, 2015, featuring brands including Louis Vuitton, Chanel, Dior, Prada, Cartier, Dolce & Gabbana, Tiffany, Fendi, and Balenciaga.

# The rural-urban divide: Electricity usage Bangkok Shopping Malls (\*) and Rural Provinces

## Electricity Usage (GWh)



Because of the city's intense climate—it is one of the hottest big cities in the world—Bangkok malls and their massive air conditioning systems consume immense amounts of electricity.

The huge Siam Paragon mall consumes nearly *twice* as much power annually as all of underdeveloped **Mae Hong Son** province, home to about 250,000 people.

# Urbanization does matter

- Agglomeration, or the clustering of people and economic activity, is an important driver of development and evidence suggests that it can have high pay offs, particularly for countries on the lower rungs of development.
- In order to harness the economic and social benefits of urbanization, policy-makers must plan for efficient land-use, ***match population densities with the required needs for transport, housing and other infrastructure***, and arrange the financing needed for such urban development programs.

# Fighting extreme poverty: both urban and rural areas

- Though **extreme poverty** has declined rapidly in many countries, the World Bank estimates that in 2015 there were still 970 million people living on \$1.25 a day.
- Therefore, continued concerted efforts to get extreme poverty as close to zero as possible are needed.
- The challenge of fighting poverty and improving the living conditions of the poor lies in both urban and rural areas.

# Urbanization reduces poverty

- With a fifth of the world's population, 600 urban centers account for some 60% of worldwide GDP.
- All the new entrants will be from emerging markets, a shift that will have profound social consequences.
- Urbanization is **lifting** more people **out of poverty** than any movement in history.

# Urban Primacy

(Share of population in the largest city in national urban population)

- The rapid urbanization in developing countries is also reflected in urban primacy—the share of population in ***the largest city*** in national urban population.
- **Urban primacy** indicates the largest city in a country.
- Such a city is called a primate city.
- Bangkok and Sydney are primate cities.

# Urban Primacy: Great level of dominance in the country

- Urban primacy can be defined as the central place in an urban or city network that has acquired or obtained a great **level of dominance**, measured by ***population density*** and the number of functions offered.
- **Higher functions** and **population** will result in higher dominance.

# Examples of primate cities

- Paris (9.6 million) is definitely the focus of France while Marseilles has a population of 1.3 million.
- The United Kingdom has London as its primate city (7 million) while the second largest city, Birmingham, is home to a mere one million people.
- Mexico City, Mexico (8.6 million) outshines Guadalajara (1.6 million).
- A huge dichotomy exists between Bangkok (7.5 million) and Thailand's second city, Nakorn Rachsrima (where almost all Thai billionaires have houses in Kao Yai)

# Law of the primate city

- Geographer Mark Jefferson ( 1939) developed the *law of the primate city* to explain the phenomenon of huge cities that capture such a large proportion of a country's **population** as well as its **economic activity**.
- An excellent example of a primate city is Paris, which truly represents and serves as the focus of France.
- The **primate city** dominates the country in influence and are the **national focal-point**. (i.e., Sydney rather than Canberra)

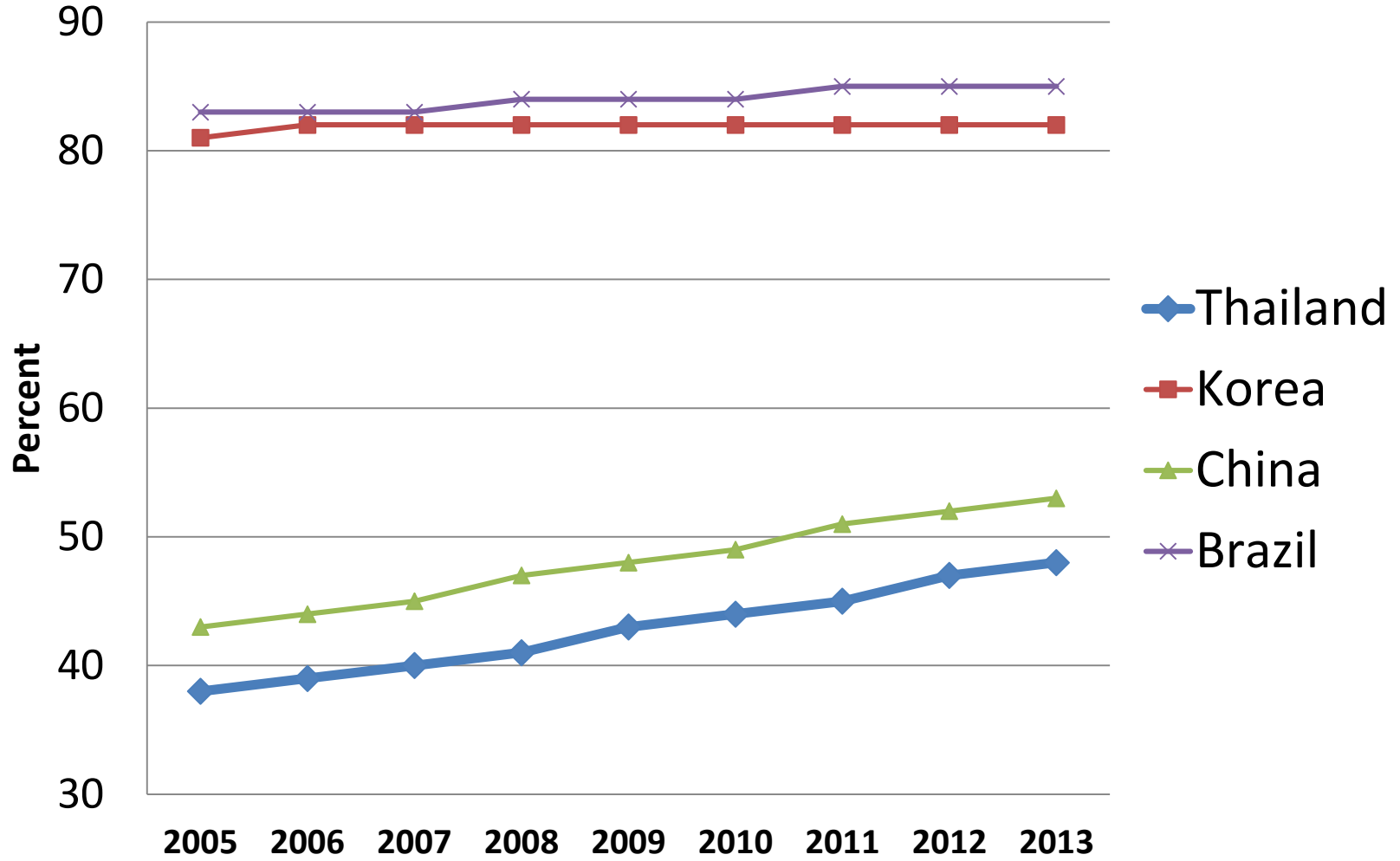
# A pull of the primate city

- Their sheer size and activity becomes a strong **pull factor**, bringing additional residents to the city and causing the primate city to become even larger and more disproportional to smaller cities in the country.
- The primal city dominates the countries in terms of economics and politics.
- Bangkok is the primate city of Thailand . It has the highest density of population and highest number of functions.
- “People outside Bangkok elect the government, while Bangkok people topple it down.”

## Urbanization in Thailand in 2000

- In 2000, the population density in Bangkok was **4,060** persons per square kilometer.
- The **Bangkok primacy** was clearly demonstrated by its size of population which was **60 times** the density of population in the Northern region, where **67** persons lived per square kilometer.
- Then **decentralization** process has taken place to make urbanization sustainable.

## Urban population (% total)



By 2016, urbanization rate in Thailand increased to 50%

# Characteristics of sustainable Urbanization

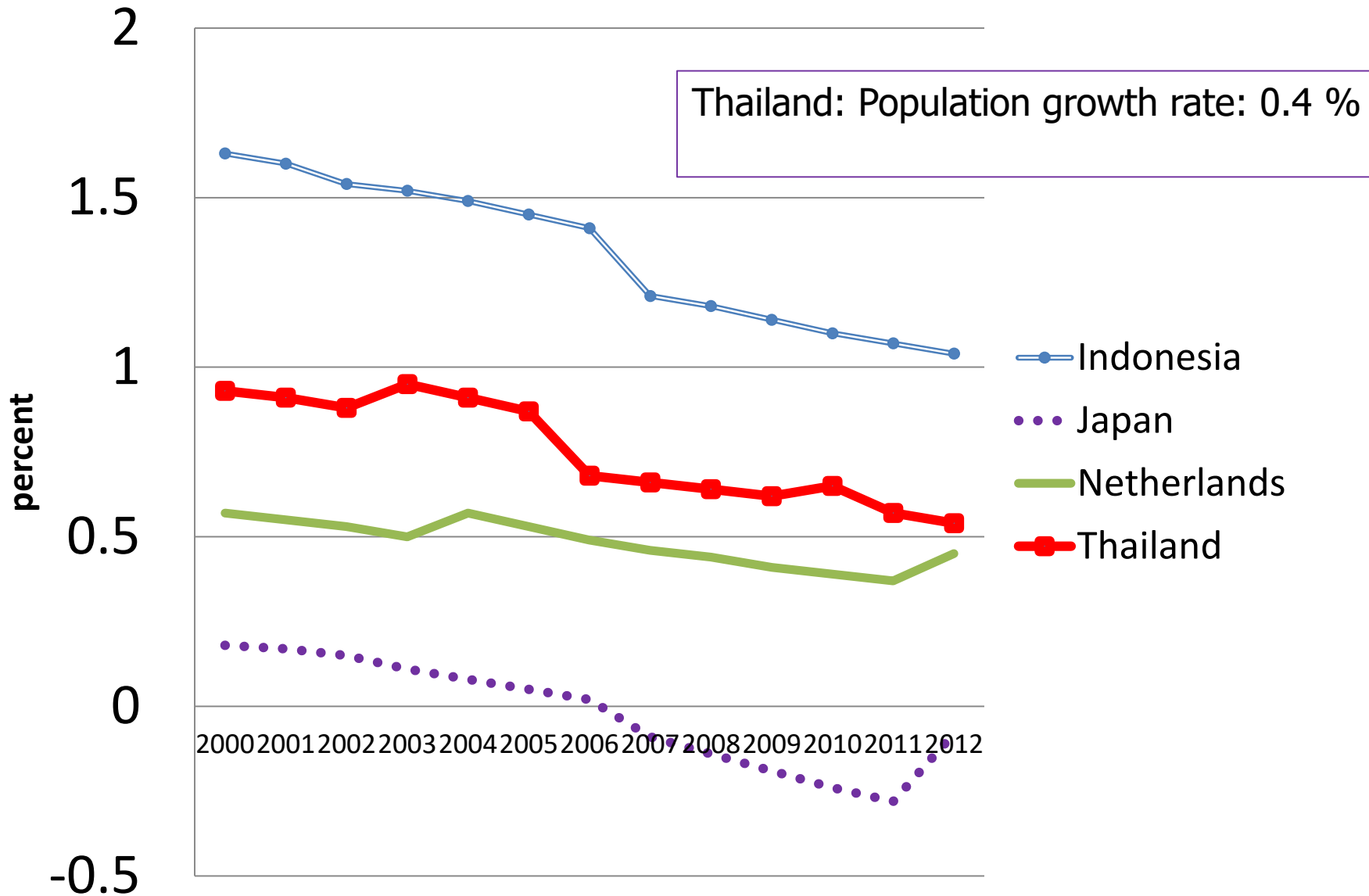
1. *Declining* population density in the primal cities
2. *Declining* urban poverty
3. *Improving* income equality
4. *Improving* quality of environment

# Declining population and density:

## The first stage of decentralization

- The population density in Bangkok has been on the declining trend.
- Between 2000 and 2002, the urban population of the whole kingdom **increased by 3.1 %**, implying increased urbanization for the whole country.
- But the density of population in Bangkok actually **declined by 9 %**.

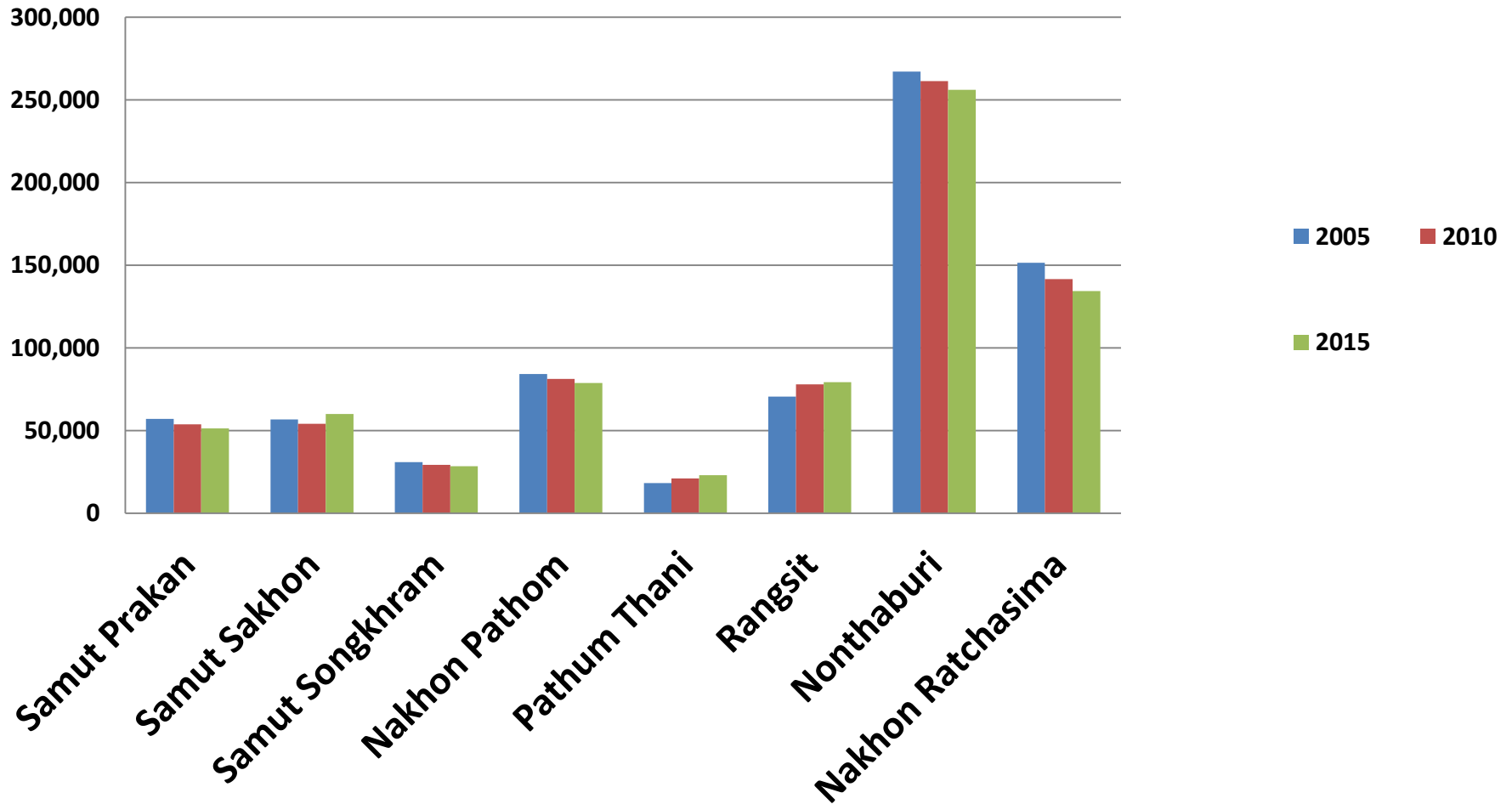
# Declining Population Growth



## The second stage of decentralization: Standardized industries are moving out of Bangkok

- It has already begun as *industries* are gradually moving away from Bangkok Metropolitan Region (BMR), because of higher production cost and rising transactions costs in BMR.
- Bangkok has encountered diseconomies of agglomeration. Land prices and rent have gone up.
- If the trend continues, a more balanced process of urbanization will emerge with less concentration of industries in large cities.
- The degree of urbanization in Thailand has been slowing down in all regions.

# Declining and rising city population 2005-2015



# Declining Bangkok Primacy

- As the impact of diseconomies of scale became apparent, **Bangkok started to lose its comparative advantage in production.**
- ***Both*** shares of output and population in Bangkok has been declining.
- Output share of BMR declined from 53 percent in 1993 to 47.4 percent in 2000—confirming the second stage of de-concentration in suburban areas of Bangkok.
- **This encouraging trend implies that urbanization process in Thailand is sustainable, because large cities of Bangkok Metropolitan Region would not be expanding without limit.**

# Urbanization and population growth

- The major factor behind the slow urbanization process is the **sharp drop** in the population growth rate (0.4% in 2015), reflecting the successful family planning programs and low birth rate.
- The relative size of economic activity in Bangkok Metropolitan Region has been declining gradually.

# We are commuters

- Urbanization has already spilled over from Bangkok into surrounding provinces.
- A large number of Bangkok's **12 million** people now commute between their residences in Bangkok's suburbs or these five provinces and their offices are in downtown Bangkok.
- The concept of satellite towns should be explored and introduced in metropolitan Bangkok when and where relevant.

# Satellite-town development

- Under the satellite-town concept, now widely applied in many major cities in Germany and other European countries, a city should be divided into many residential areas and suburbs.
- *Each area is made self-sufficient, complete with office and commercial buildings, schools, hospitals, shopping centers and other facilities.*
- This should **reduce the necessity of residents having to take long commute hours.**
- It thereby does away with many urban problems related to large numbers of people moving about, including traffic snarls and air pollution, among other problems, improving people's quality of life.
- **What stop Thailand from establishing a satellite-town structure?**

# Major problems in big cities

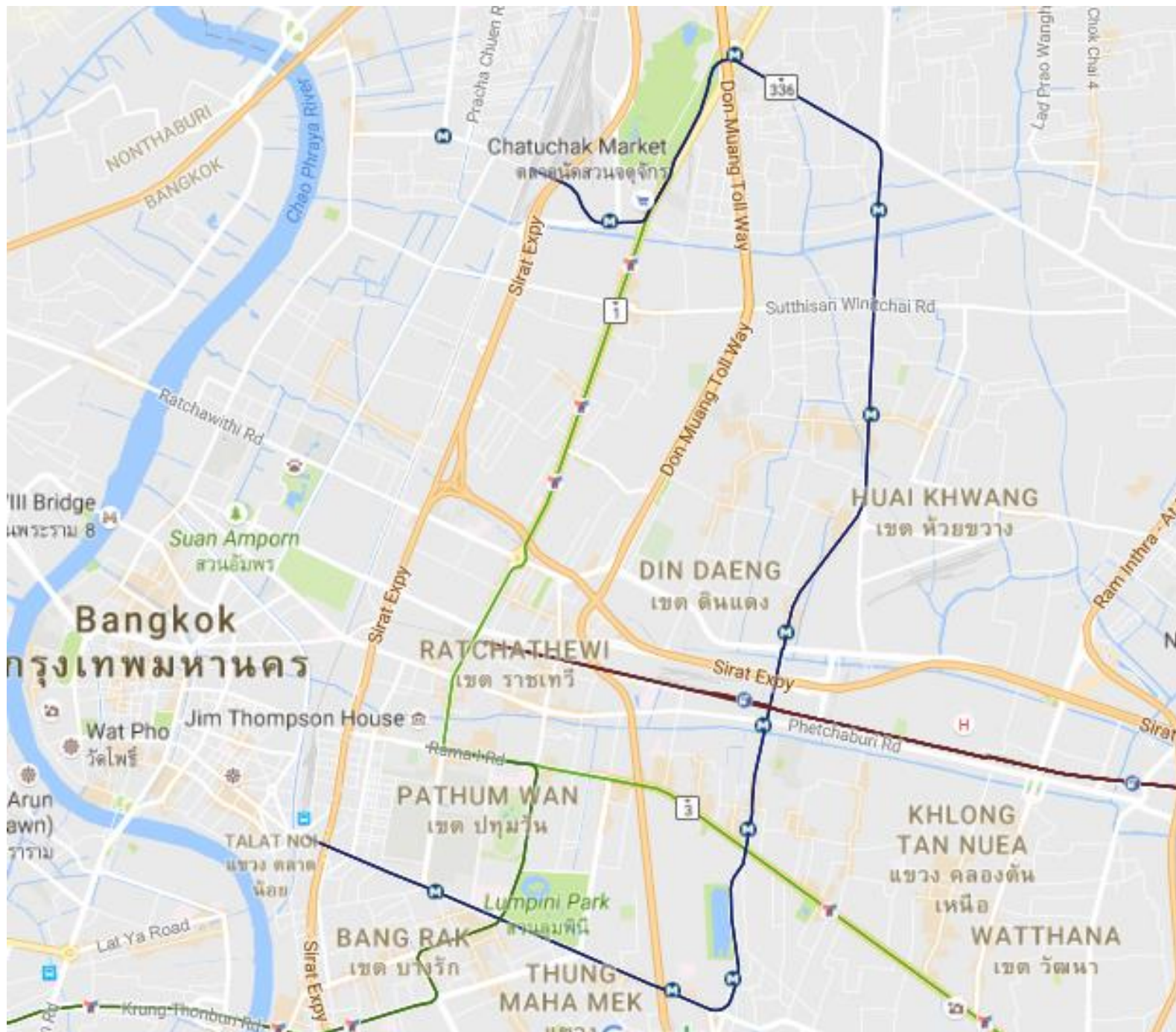
- Industrial competitiveness declines because of diseconomies of agglomeration.
- Managing and maintaining effective and efficient institutions is almost impossible.
- Social cohesion and stability are threaten.
- Health and quality of life: limited green areas

# Insufficient Bangkok's green area: 3.3 m<sup>2</sup> per head

- Bangkok has several parks, although these amount to a per-capita total park area of only 1.82 square meters in the city.
- Total green space for the entire city is moderate, at 11.8 square meters per person
- In the more densely built-up areas of the city these numbers are as low as 1.73 and 0.72 square meters per person.
- More recent numbers claim that there is only **3.3 m<sup>2</sup> of green space per person**, compared to an average of 39 m<sup>2</sup> in other cities across Asia.
- Bangkok thus have **10 times less green space** than is standard in the region's urban areas.

# London has 39% of public green spaces





# Cities with the most percentage of public green space

**Vienna 51%**

**Singapore 47%**

**Sydney 46%**

**Hong Kong 40%**

**Rio De Janeiro 40%**

**London 38.40%**

**Stockholm 30%**

**Johannesburg-Gauteng 24%**

**New York City 19.7 %**

[Score/World Culture Report](#)

**San Francisco 17.9%**

**Portland OR 16.3%**

**Los Angeles 16.2%**

**Munich 16%**

**Berlin 14.40%**

**Jakarta 10.4%**

**Paris 9.40%**

**Amsterdam 9.09%**

**Chicago 8.5%**

**Buenos Aires 5%**

**Tokyo 3.44%**

**Rome 3%**

**Shanghai 2.60%**

**Mumbai 2.50%**

**Istanbul 1.5%**

**Bangkok: ??**

# Conclusion

- There is a stylized fact of urbanization process in developed and developing countries.
- Bangkok primacy has been declining, as the second stage of de-concentration is taking place.
- In contrast to the popular view that Bangkok is facing insurmountable environmental and social problems, Bangkok and its surrounding cities are moving toward sustainable urbanization.
- But Bangkok is still a far cry from being a city offering high quality of life, due to the lack of green space .

# Review questions

- Compare and contrast urbanization in Thailand and Africa.
- Provide evidence indicating the sustainability of urbanization process in Thailand.
- What can the public sector do to ease the adverse consequences of urbanization?
- Why has urbanization in Thailand been **slowing down** in all regions?
- “All happy families resemble one another, but each unhappy family is unhappy in its own way” *Anna Karenina* by Leo Tolstoy. Do you think that happy families in Buri Rum and Bangkok resemble one another, but differ when they are unhappy?

George W. Bush, on returning to Yale to accept an honorary degree (The Sunday Times, May 2001 )

*“To those of you who received honors, awards and distinctions, I say well done. And to the C students, I say you, too, can be president of the United States”*

# Quotable quotations

“Study **without desire** spoils the memory, and it retains nothing that it takes in.”

Leonardo da Vinci

*“Education is what survives when what has been learned has been forgotten”*

B.F. Skinner (1904-1990)

“**Live** as if you were to die tomorrow. **Learn** as if you were to live forever.”

Mahatma Gandhi